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Defence TWF

Anglo French Nuclear Collaboration

Middle East Sit'n + Energy Policy

NOTE OF A MEETING HELD IN 10 DOWNING STREET AT 1445 ON MONDAY  
19 NOVEMBER 1979

Present:

The Prime Minister

President Giscard d'Estaing

Mr. C.A. Whitmore

Monsieur Patrick LeClercq

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The Prime Minister suggested, and President Giscard agreed, that their tete-a-tete should concentrate on broader international issues and that they should leave Community matters for the subsequent enlarged meeting in which they would be joined by Foreign and Finance Ministers.

East/West Relations and Defence Matters

The Prime Minister said that she had set out her views on East/West relations in her recent speech in Luxembourg. She had struck a forthright note on that occasion because she felt that President Brezhnev was attempting to influence the smaller European members in NATO in their defence policies and, in particular, to frighten them off the modernisation of Theatre Nuclear Forces. All this was part of a grand Soviet design which was aimed at giving them unassailable military power. Their eventual aim was to be able to force other countries to go along with Soviet objectives by threatening them with the use of force. We were already seeing how successful they could be in countries like Vietnam, Afghanistan and Ethiopia by the use of subversion and proxy forces. The Prime Minister continued that detente must be a two-way process and a prerequisite for it was that the West should be strong in defence terms. There needed to be some discussion of disarmament but it should be conducted from a position of strength. She was familiar with France's proposals for a European Disarmament Conference but she would like to hear what the President had to say about them. Our hope must be that by having more and more contact with the Soviet Union the Russians would eventually come to question their own social system. In the meantime, it was essential for the wellbeing of the free nations that there should be a European grouping

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which could show the world that it could live together, protecting its political freedom with economic liberty. Nothing in these views of hers was new, for principles and ideals in this area did not change.

President Giscard said that he had read the Prime Minister's Luxembourg speech and he shared her general approach to East/West relations. He had met President Brezhnev several times and although he gave the impression that he was trying to bully the West, he, President Giscard, believed that President Brezhnev had some measure of dedication to peace. He did not believe that the Soviet Union were calculating on invading Europe over the next five to ten years. What then was their intention? In trying to assess Soviet objectives, we had to have in mind two factors. First, they were obsessed by the feeling that they should not be militarily inferior to the West. The lessons of the Cuban missile crisis had gone deep in the Soviet Union. Second, they were afraid that if there was a war, they would have to fight on two fronts, and all history showed that this was likely to lead to defeat. They calculated that if there was a war in Europe, China would interfere; and equally that if they fought China, the West would become involved. There was no doubt that, influenced by these two factors, the Soviet Union had built up a very powerful military establishment, though in the light of their weakness in many civil, industrial and technological fields in comparison with the West, he personally was not sure that they were as strong as some made out. What was the position of Britain and France in this situation? The period of American strategic supremacy was over. There was now a global balance at that level, and the United States would not use their strategic systems except in the most extreme circumstances. Even if they said that they were ready to use strategic nuclear weapons in defence of the West, he would be cautious in his evaluation of any such assurance. Probably because of the earlier American advantage at the strategic level,

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the Soviet Union had built up over the years a substantial lead in TNF, yet they denied very strongly their advantage in this area. It was curious that they did so when they must know that our intelligence made the facts available to us, and he was unable to offer any explanation of their denials. He was, however, clear that it was absolutely essential that the West should develop similar systems. Although France was not involved directly in the consideration that was being given within the Alliance to the modernisation of TNF, he understood why many of the European allies were in favour of improving NATO's TNF. France would herself take similar national decisions, though the timing of them would be different. France had started studies twenty months ago to evaluate cruise missiles and a new Theatre ballistic missile system. The final report would be available in six to eight months' time and he expected that the decision would be to go for the ballistic missile.

The President repeated that he believed that the chances of early American intervention at the strategic level in any future conflict were not great. He did not believe that it would be possible to force the Americans to use their strategic weapons by launching the French force <sup>de</sup> dissuasion and it would be counter-productive for France to use its strategic weapons alone against the Soviet Union. In any case, he did not believe that conflict would turn into nuclear war quickly: on the contrary, he thought that the period of conventional war might be quite long. He had discussed this with Chancellor Schmidt who shared his views. These considerations underlined the importance of high quality conventional forces. France had recently been putting emphasis on improving their conventional forces and she expected to have broadly the same capability as Germany in three or so years' time. He regarded it as important that the United Kingdom should also have effective conventional forces. If the West made improvements in this way, it would reduce the opportunities open to the Soviet Union for blackmail and military intervention.

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President Giscard said that the West should put the Soviet Union on the defensive on disarmament. It was absurd that the most heavily armed country in the world had for so long been posing as one of the keener supporters of disarmament. We must attempt to establish whether the Soviet Union were really ready to contribute to arms limitation. France was not being naive about this but thought it diplomatically important that the West should hold the initiative in this field. France had never been in favour of the MBFR negotiations because they did not believe that the talks would ever reach any positive conclusion and because they believed that it would be dangerous if there was an area in Central Europe where the Federal Republic was neutralised and disengaged but into which the Soviet Union could rapidly move the forces it had previously withdrawn. The French had therefore proposed a general European discussion on security. This was a way to oblige the Soviet Union to show its hand. If the Russians were ready to accept reductions in their forces stationed in the European part of their country, this would mean that they were serious about disarmament. The French proposals would mean that it would be less easy for the Russians to reintroduce their forces into the area covered by the negotiations. It would also offer a way of dismantling, even if only by a little, the structure of the Warsaw Pact which was militarily strong but weak politically and morally. The first Soviet reaction to the French proposals had been strongly against them because they meant that, for the first time, Soviet territory would be brought into an arms control negotiation. But, perhaps because they felt themselves to be on the defensive, they were now beginning to show signs of changing their view. It would not, however, be enough to get agreement on confidence-building measures (CBMs) alone. CBMs might impose some practical limitation on the Russians, but they would have no real political impact. France was therefore taking the line that CBMs must be accompanied by a process for reducing the level of armaments.

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President Giscard continued that he saw advantages in countries like Britain and France, which both had practical experience of the dangers of the world, studying international problems jointly. He thought, for example, that both countries might act together to exert their influence in the Caribbean where they both still had dependent territories. The influence of Cuba was growing stronger, and a number of former British colonies consistently voted with the Soviet Union at the United Nations. He hoped that France and Britain would co-operate to study the situation with a view to trying to persuade those Caribbean countries where they still had influence to take a moderate line. Another area where France and Britain should work together was the Pacific. Britain had given independence to a number of her former dependent territories, whereas France had tended to keep hers under French sovereignty. At international meetings former British colonies in the Pacific, like Fiji, often attacked France and her Pacific territories. He would like Britain to do what she could to get her former colonies to behave more reasonably. Again, he thought there should be an exchange of views on the subject. If Britain and France were to have regular consultations about these and other difficult parts of the world, we should be able to help each other in promoting stability.

The Prime Minister said that she too was worried about the Caribbean situation. In countries like Jamaica and Guyana subversion was widespread, though there were one or two countries like Barbados where the position was still much better. She thought that what was happening in the Caribbean was part of the general Soviet advance in the third world. Belize was a particular problem for Britain in this area. We did not want to keep Belize as a dependent territory but we had to prevent Guatemala taking over the country.

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The Prime Minister repeated the importance of not letting the Soviet Union blackmail NATO countries over TNF modernisation. Psychology played a significant part in East/West relations, and to give way to Soviet pressure would have a bad impact on the confidence of the Alliance. The United Kingdom had virtually taken the necessary decisions on TNF modernisation, and the essential thing now was to carry the Dutch and the Belgians with the rest of NATO. Britain would also have to take decisions soon on the replacement of its Polaris submarines. We had been worried about the non-circumvention provisions of the SALT II Treaty, and about the Protocol, but President Carter had assured us that the Americans would be able to make available to us the technology we needed to modernise our strategic forces. Replacing Polaris would be very expensive and this was why we were expecting to rely on American help, though Britain would continue to develop and produce its own warheads. If the President had any proposals for co-operation with the United Kingdom in this area and wished to suggest that there should be talks, we would be very happy to take part.

President Giscard said that he understood that the United Kingdom's choice might be constrained by budgetary reasons. He could see that it would be costly for Britain to go it entirely alone. France of course developed and produced her strategic systems without the help of other countries for reasons of national policy, but he understood that the United Kingdom's approach was different. As regards possible co-operation in this area between Britain and France, the Defence Ministers of the two countries met regularly and this was something they might discuss. The Prime Minister said that she was ready to leave it to them.

In replying to a question by President Giscard, the Prime Minister said that Britain had no intention of returning to conscription. We did not think that it would be an economical use of resources and we believed that we could play our part in the defence of the Alliance better by having highly professional regular forces. The re-introduction of conscription would be popular in certain quarters for social reasons but it would raise difficult political issues. President Giscard said that conscription was accepted in France for moral reasons. It was a positive factor

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for the spiritual health of the nation, and France would retain it so long as the present military situation in Europe continued. French troops were now of good quality, and their officers were well-motivated.

### Energy

The Prime Minister said that the oil situation continued to be very gloomy. Prices were rising, and more and more oil was being sold at spot market prices. The follow-up to Strasbourg and Tokyo had not got very far. There was still no dialogue between the EEC and OPEC. In the meantime, the United States dual price structure was causing difficulties. In particular it gave them an unfair advantage in the trade of any products with an oil base, e.g. synthetic textiles.

President Giscard said that he thought that the present oil situation was a complete failure for the West. Despite all his urgings in the past, the United States had never had the political will to act decisively. It would be interesting to see how they handled the Iranian situation. He was also obliged to say that the British approach to prices of North Sea oil was not well received by the other members of the Community. The United Kingdom were always amongst the first to join in any increase in price. France was getting oil from Saudi Arabia and Iraq at significantly lower prices than those they had to pay for North Sea oil. The Prime Minister said that we charged the right price for the grades of oil. We did not put our prices up ahead of Libya and Algeria but followed the world price. We were doing what we reasonably could to help our European partners. For example, we had agreed to produce 5 million tonnes a year more to help the Community over the Tokyo Agreement. We had no reason to feel guilty about our policy: on the contrary, we had been very reasonable. President Giscard added that he had only wanted to mention the matter. We should expect it to come up again at Dublin.

### The Middle East

President Giscard said that he was generally pessimistic about the situation in the Middle East. He had always been surprised at the degree of support which the Labour Government had given Israel.

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He understood the emotional reasons for this. They applied to France as well for she had the biggest Jewish community in Western Europe. But we had to look at the situation realistically. It was impossible for Israel to keep the Occupied Territories and their attempts to do so were an embarrassment for everybody. He did not know Mr. Begin, whom he had never met, but he thought his approach fanatical and unrealistic. On the other hand, Yasser Arafat was adopting a moderate line at the moment and he seemed to be in command of the Palestinian forces. Arafat wanted international recognition and would get it. A number of European countries had already accorded the Palestinians some form of recognition, and there was now growing pressure from all the Arab countries, even including Egypt, for France to offer recognition. Nothing would be gained, in his view, by rejecting the Palestinians and the West Bank would have to be given back to them in due course. France wanted to be on normal terms with the Palestinians and although they would not be able to give them diplomatic recognition since there was not a Palestinian state, France would make some move towards recognition. The only reason for the delay was the feelings of the French Jewish community. The Americans were supporting France on this: though Germany still remained reluctant, they now seemed to be nearer the French position.

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The Prime Minister said that she was doubtful whether we could take further steps on the Middle East until the Camp David talks had finally run into sand. She agreed entirely with what President Giscard had said about Mr. Begin. She had never had a more difficult man to deal with. She had told him that his West Bank policy was unrealistic and that she knew of no arrangement which gave a people autonomy over their political future without autonomy over the soil. Mr. Begin's policies were making things very difficult for President Sadat who had been very courageous and who was, if anything, too generous minded towards Mr. Begin. All our efforts to convince Mr. Begin that his West Bank policy was absurd and that there should not be Israeli settlements on the West Bank had failed to move him. His response was that Judea and Samaria had been Jewish in biblical times and that they should therefore be so today. But notwithstanding Israel's present intransigence we were reluctant to recognise the PLO. Recognition of the PLO would have to be accompanied by the PLO's acceptance of Israel's right to exist. In the meantime, however, Britain was ready to talk with representatives of the Palestinian people.

The discussion ended at 1610.

21 November 1979

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