

of Iran & Afghanistan Sitns (extracts)

RECORD OF A DISCUSSION BETWEEN THE PRIME MINISTER AND THE CHANCELLOR
OF THE FEDERAL REPUBLIC OF GERMANY, HERR HELMUT SCHMIDT, AT CHEQUERS
ON FRIDAY 28 MARCH AT 1145 HOURS

PRESENT

Prime Minister
Foreign and Commonwealth Secretary
Sir Michael Palliser (for part of
the discussion)
Mr. J. L. Bullard (for part of the
discussion)
Mr. M. O'D. B. Alexander (for part
of the discussion)
Mr. G. G. H. Walden (for part of
the discussion)

Herr Helmut Schmidt
Herr Genscher
Herr Blech (for part of the
discussion)
Herr Von Der Gablentz (for
part of the discussion)

Iran

The Foreign and Commonwealth Secretary said that he had just spoken to the French Foreign Minister on the telephone. M. François Poncet had seen President Giscard and had discussed with him the joint UK/German document, setting out the elements of a reply to President Carter's message about Iran, which had been sent to him overnight. M. François Poncet said that the French Government would go along with the proposed line. However, they thought that it was a little weak and contained too much criticism of what the United States had done so far. The French reply therefore would be rather vaguer and cast in more general terms. They agreed with the final paragraph. They did not think that the American policy was likely to be effective but considered that the European response should, nonetheless, avoid appearing too reluctant. In the ensuing discussion one or two minor changes to the Anglo/German text were suggested. But it was agreed that the text should remain broadly as drafted pending the outcome of the discussion in Rome, later in the day.

Chancellor Schmidt commented that President Giscard's attitude probably reflected two considerations:-

- (a) he considered that since American lives were in danger, the American Government had the responsibility of determining the policy it wished to pursue; and
- (b) President Giscard was conscious of the potential gravity of the present situation. He did not wish to strengthen suspicions that existed in Washington about the attitude of France.

Afghanistan

The Foreign and Commonwealth Secretary said that British and German officials had been discussing how to reply to President Carter's proposal that a NATO Summit meeting should be held to discuss the situation in the wake of the Soviet invasion of Afghanistan. They had recommended that the best answer might be to suggest that the President should visit the NATO Headquarters in Brussels during his trip to Europe for the Venice Summit. A NATO Council meeting could be held on that occasion. It would discuss other subjects besides Afghanistan. Herr Genscher pointed out that this would not resolve the problem about the NATO Foreign Ministers' meeting in Turkey. The Foreign and Commonwealth Secretary said that we should avoid exciting too many expectations in Turkey about contributions to their economy. Chancellor Schmidt remarked that this was not a problem for the Germans, but for the British whose contribution seemed rather poor. The Prime Minister pointed out we were contributing in other directions. In her view we could not possibly cancel the Foreign Ministers' meeting in Ankara, but should have a special Summit meeting in Brussels as well.

Chancellor Schmidt said that the American Agenda for the meeting consisted largely of a reiteration of points for the consumption of US public opinion. But there were also other points which were not agreed within the Alliance. For example the statement that there should be no business as usual with the Russians had been discussed only bilaterally. The mention of the 3 per cent increase in NATO budgets was an attempt to push the allies into spending more on defence. It could also be a screen for a proposal to speed up TNF. The proposal to talk about the Persian Gulf raised serious problems. In German constitutional law, German forces could only be used in the defence of Germany. He would therefore be very reluctant to participate in such a discussion. President Carter was aware of this problem. The Arabs would react against such a discussion too. The idea was naive. However, we had to accept the proposal of a Heads of State meeting.

The Foreign and Commonwealth Secretary said that we would not wish to exclude discussion of Afghanistan altogether. The American proposal to discuss this was after all an indication of their awareness of the need for greater consultation. Chancellor Schmidt agreed but said that the discussion must be properly prepared. Delegations should not be too big. But even Heads of State, Foreign Secretaries, Defence Secretaries, the General Secretary and the Commanders would add up to

/a mass meeting

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a mass meeting of more than 60 people. The only purpose of such a meeting would be to demonstrate to Carter's domestic audience what he was doing in Iran. The East could misunderstand such a meeting, and view it as some sort of threat. The Foreign and Commonwealth Secretary pointed to the danger that public opinion might forget all about Afghanistan by May or June.

Chancellor Schmidt said that the more Giscard thought that war was a possibility, the more concerned he would be to be seen to be taking his own decisions. The Prime Minister asked whether the French would not consider coming fully into NATO if the situation were sufficiently serious. Chancellor Schmidt said that there was no chance of this; the French Communist Party, the Socialists and M. Chirac would form a coalition against him and the President would be defeated in the Assembly.

The Prime Minister said that she would be willing to consider the possibility of attending a meeting in Washington. Chancellor Schmidt said that it was important that any meeting which was held should appear to be as nearly routine as possible. This pointed to a meeting in Ankara. It was essential that the meeting should not turn out to be another step in the process of escalation. He saw parallels between the present situation and July 1914. There was an air of inevitability about present developments which was typified by the fact that while it was difficult to see any point in the proposed meeting, one could not refuse the American proposal. It would probably lead to a similar meeting of the Warsaw Pact countries. The importance of the meeting should be played down. The Prime Minister asked whether it would not be possible to hold a mixed meeting of Heads of Government and Foreign Ministers. The Foreign and Commonwealth Secretary thought that this would be difficult. The Prime Minister commented that no NATO meeting attended by Heads of Government could pretend to be routine.

Chancellor Schmidt said that the American proposal did not appear to have been thought through. There was, for instance, no common position at present on the boycott of the Olympics. The effort to get one might well be prejudiced by the inclusion of the matter on the American Agenda. The Prime Minister commented that in any case the 24 May deadline would have passed before the meeting took place. Chancellor Schmidt said that the American proposal for an extension of the COCOM restrictions had great faults. It was directed against all

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/Warsaw

Warsaw Pact countries and was in conflict with the principle that the Eastern European States should not be punished. The American proposal to limit contracts with the Soviet Union to a maximum figure of \$100 million was ridiculous. German trade with the Soviet Union was eight times the size of that of the United States. It was mostly composed of very large deals. He would not accept any limitation of the kind suggested. If the Americans were to re-introduce conscription, that would be an indication that they were taking the Afghan crisis seriously. But the present Administration would not do so because of its concern with the election. Until they had done so, they could not be taken seriously. Chancellor Schmidt said that he had recently discussed the American reinforcement capability with the Commander in Chief, Central Europe. He had been told that the first American reinforcement division could arrive within a few days; the second within a few weeks; the third in "not less than 30 days"; and the fourth at some indeterminate time. The Americans were not in a position to meet the guarantees they had made to Europe and to the Gulf States. They had exaggerated their conventional capability. They did not intend to go to war and they would not convince the Russians that they intended to do so. They were merely making a show of action. In doing so they were building up tension without meaning to do so.

The Prime Minister said that if a NATO Summit were to be assembled and no agreement were to be reached, the effects would be very damaging. The Foreign and Commonwealth Secretary said that he expected the participants would succeed in agreeing, but that the agreement would be empty of content. Chancellor Schmidt said that the reply to the Americans might contain the following elements:-

- (a) a welcome for the proposal as a step towards closer co-operation within the West;
- (b) a suggestion that more attention should be given to the position of the Turkish Government who were already organising a meeting of the North Atlantic Council in Ankara;
- (c) a suggestion that the question of French participation would need careful consideration. It would be important that President Giscard should attend; and
- (d) comments on the proposed Agenda.

/Chancellor Schmidt's

Chancellor Schmidt's own comments on the Agenda were as follows:-

- (a) many of the points were reiterations of old issues and added little to the existing framework of co-operation;
- (b) he had doubts about the formulation of the fourth point (on business as usual);
- (c) the fifth point (the Olympic boycott) would be obsolete by the time the meeting took place;
- (d) the sixth point (about COCOM) was too vague. There would have to be a differential between the Soviet Union and the other Warsaw Pact ^{members}/. Discussion of this issue would need careful preparation;
- (e) the tenth point (the long-term defence programme and the NATO infrastructure programme) would need detailed consideration. It might mean no more than accelerating TNF modernisation. But if it had further significance the German Government would only be prepared to put up extra money, e.g. for infrastructure, if the Americans introduced conscription;
- (f) the eleventh and final point (the Persian Gulf) raised grave difficulties. It would also create constitutional problems for the Federal Republic. If the Alliance were to declare that the Gulf was a vital interest, the reaction of the Gulf States would be severe and adverse and the West's efforts to contain the Russians would be damaged. He had grave doubts about it.

Chancellor Schmidt said that President Giscard would not go to Brussels or Washington. He might perhaps be prepared to go to Ankara. But to hold the meeting in Venice would be the best way to secure his participation. However, cancellation of the Ankara meeting would be a grave blow to the Turks. The Prime Minister said that she and Chancellor Schmidt wanted to show solidarity with the United States but were concerned that a NATO Summit might result in an escalation of the present situation. They agreed that the proposed Agenda created difficulties but recognised that it would be damaging if nothing came out of the NATO Summit other than generalities. They questioned the wisdom of the proposal but felt it necessary to support President Carter. This was the circle which had to be squared. Chancellor Schmidt repeated that the proposal represented another rung in the ladder of /escalation.

escalation. No one knew where the ladder was leading. The meeting might well result in a meeting of the Warsaw Pact which would be used to impose stricter discipline on the East Europeans. Messrs. Gierek, Kadar and Ceausescu had so far been extremely reluctant to commit themselves to support the Soviet Union. Even Herr Honeker had said privately that he did not mean what he had been saying publicly. The Prime Minister said that it was important that Moscow should not be allowed to doubt the resolve of the West.

The Foreign and Commonwealth Secretary suggested that transformation of a routine North Atlantic Council meeting into a Heads of Government meeting was in some ways the most spectacular gesture the West could make. It might keep a meeting in a lower key if it were to be held in Brussels. The Chancellor said that special meetings at Heads of Government level had only been held on two occasions and both had been, in a sense, emergency occasions. To hold a special meeting in Brussels would be a clear signal of present danger. The Prime Minister asked whether it would be possible to use a meeting in Brussels to underline the need for closer co-operation between the EEC and NATO. Chancellor Schmidt pointed out the difficulties arising from the lack of common membership. The Foreign and Commonwealth Secretary said that there would be considerable difficulties in trying to associate or link the two organisations in present circumstances. Sir Michael Palliser said that, while the objective was clearly desirable, it would be better to try to move towards it at a time of diminishing rather than of growing tension.

The Foreign and Commonwealth Secretary suggested that perhaps President Carter's proposal should after all be rejected. Sir Michael Palliser said that the reply to President Carter could propose taking his suggestion in two stages: first a meeting of a number of NATO Heads of Government in Venice and then a meeting of Foreign Ministers in Ankara to take the matter a stage further. Chancellor Schmidt recalled that it had already been agreed that political talks should be held on the first day of the Venice Summit. The Foreign and Commonwealth Secretary said that he thought the combination of a Summit in Venice followed by the Foreign Ministers' meeting in Ankara was the right way to proceed. Six Foreign Ministers would, of course, attend the discussions in Venice and would then go on to Ankara to explain to their colleagues who had not been present what had been agreed. It would be important that the reply to President Carter should not appear

negative and should stress that the Prime Minister and Chancellor Schmidt shared the President's objective. Chancellor Schmidt said that he agreed with the Foreign and Commonwealth Secretary's proposal. The combination of the political discussion at Heads of Government level in Venice (which he warmly welcomed) with the routine North Atlantic Council meeting in Ankara was the best way to help the French and the Turks. It would, of course, need careful preparation and consultation.

The meeting ended at 1300 hours.

Paul

31 March 1980