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NOTE FOR THE RECORD OF A MEETING WITH THE GERMAN DEFENCE MINISTER,
DR WOERNER AT 9.25 am ON FRIDAY 18TH JANUARY 1985

Present:

The Rt Hon Michael Heseltine
Secretary of State for Defence

Dr Manfred Woerner
Federal Minister of Defence

Mr D A Nicholls
DUS(Policy)

Dr Lothar Rühl
State Secretary, Federal MOD

Mr C L G Mallaby
Minister, British Embassy
Bonn

Herr Karl-Helmut Schnell
Head of the Directorate-General
of Armaments

Mr H Chambers
Counsellor, British Embassy
Bonn

Dr Hans Rühle
Head of the Planning Staff

Mr R C Mottram
Private Secretary to the
Secretary of State for Defence

Major-General Rolf Hüttel
Head of the Staff Division

Col K Reinhardt
Principal Staff Officer to Federal
Minister of Defence

In an initial tête à tête discussion at which notetakers were not present, Dr Woerner asked about recent press comment in Britain about chemical warfare. The Secretary of State explained the background and that the Government's policy continued to be to seek an arms control solution at Geneva. Dr Woerner said that he was aware of the state of the US stockpile and supported the case for its modernisation with binary weapons. The question was whether it would be feasible to change over the stockpile in Europe in a low key way.

2. Dr Woerner expressed concern about the recent Pershing II accident in the Federal Republic and its implications for the INF argument in Germany. He had insisted that an expert from his Government should be involved in the investigation of the causes of the accident which had yet to produce an explanation.



Conventional Defence Initiative

3. Opening the plenary session, Dr Woerner referred to the agreement recorded in paragraph 8 of the communique at the December DPC meeting on improvements in conventional defences. Something had to be done but there was not much scope for the provision of additional resources anywhere in Europe. He supported the Secretary-General's proposal to pursue the work using the normal NATO framework. There might be occasions when it would be appropriate to raise the level of representation at meetings but this should not be done too often. It would be important to proceed in parallel with the work on the conceptual framework which should be used to establish clear priorities, rather than to focus on the attractions of particular weapons systems or technologies. German priorities were clear: first, to deal with the first echelon, secondly offensive counter-air, and thirdly, the attack on the second echelon. He was sceptical about American enthusiasm for attacking moving targets 500-600 kilometres behind the FEBA. German studies suggested this was not a feasible option technically for the coming decade and beyond. It was more realistic to focus on the attack 30-50 kilometres behind the FEBA and beyond that on choke points. The Conventional Defence Initiative would need very careful handling so that we avoided the impression of dragging our feet but at the same time were not pressured into approaches which had not been thought through.

4. The Secretary of State said that he had an open-mind about these conceptual issues and their weapons system implications. His concern was that the initiative represented a Mk II version of the earlier 3% initiative and that he would not be asked to address real issues about how best to spend the available resources but simply to stomp up more money. While no one within NATO was a stronger supporter of the United States, he was wary of the Administration's obsession with hiking up defence expenditure which he believed to be counter-productive. It would lead to ever higher expenditure on both sides and was not justified by the present risk of war particularly in Europe. The will continually to increase defence expenditure had gone in Britain, not just in the Government but in Parliament.

5. Dr Woerner said that they should start to move away from the 3% goal, which was an unsatisfactory measure, towards looking more at output. He was concerned that an underlying motive for the initiative in the United States was the desire to introduce conventionally armed missiles for deep strikes. There was a risk that there would not be adequate consideration of the problems such dual capable missiles, whether ballistic or cruise, presented in arms control terms and to Western public opinion. The Secretary of State said that he recognised these problems but was not himself against being associated with a programme of new long range missiles. In discussion, it was recognised that the Soviet Government would seek to make propaganda points about any Western programme but would



have means open to them to assess the balance between conventional and nuclear warheads. They were themselves embarked on a very ambiguous programme of missiles with a triple capability : conventional, chemical and nuclear. The West must do what was required for its proper defence in the real world. Dr Woerner, while accepting this, commented that he faced an immediate problem of the replacement of the Pershing IA missile this year, which was likely to provide a new focus for the "peace movement".

6. The Secretary of State said that there was one aspect of the European defence effort where he sympathised with the American Government and Congress - the political and defence contribution of the smaller European countries. He too was tired of their unwillingness to pull their weight. Dr Woerner interjected that when Senator Nunn criticised Europe, he actually had in mind Germany. The Secretary of State said that when he talked to US Senators and Congressmen he stressed how unhelpful the Nunn approach was to America's friends in Europe, as it appeared to put in the dock Britain and Germany. But he wondered if there was some way in which leverage could be applied in the smaller countries?

7. In discussion of the latest approach of the Belgian Government to INF deployment, it was agreed that this did not properly meet their obligations under the 1979 twin-track decision. There was a strong case for a concerted private approach by the European basing countries to express their concern.

8. The Secretary of State said that when he had first taken on his present appointment, he had ruled out any approach which involved, or could appear to involve, interfering in another country's affairs. But he now had doubts about this. He had it in mind for example during his forthcoming visit to Copenhagen to make a speech which would draw attention to the importance for her Allies of the Danish defence contribution. The problem was to get the tone right. Mr Nicholls pointed out that the Danes depended upon British reinforcements and we had a legitimate interest in their protection. Dr Woerner said that the interest of the smaller countries in industrial participation in new weapons systems through the IEPG might provide a useful context in which to point out that they could benefit only if they made an adequate contribution. He also used a wider political argument that the larger European countries shared the wish of the smaller for equality of influence rather than a form of directorate, but as part of this the smaller countries must pull their weight. The Secretary of State said that he would send Dr Woerner the text of his Copenhagen speech in draft.

9. Dr Woerner emphasised the importance of working actively to influence members of the US Congress in order to avoid a new Nunn resolution. He would be visiting the United States at the end of March and intended to pay a number of calls on The Hill. He also



planned to invite those on the key Congressional committees to visit Europe to see for themselves the scale and the quality of the European contribution: German and British forces stood comparison with anything the Americans could offer. The Secretary of State said that he was intending to visit the United States at the end of February: he agreed with Dr Woerner's approach.

10. Dr Woerner expressed concern that the new emphasis on conventional defence in American circles went beyond a strategy of no early first use to a belief that there should be a wholly conventional response to the Soviet threat. The deterrent threat of escalation based on INF was given less prominence and they seemed to see a future European war increasingly on the World War II model. This approach was neither realistic nor acceptable to the German Government. The Secretary of State commented that American concern over modernising shorter range nuclear forces as part of the follow-up to the Montebello decision and their deployment of huge numbers of cruise missiles suggested that they were not moving towards eliminating the intermediate nuclear option.

Arms Control and the SDI

11. Dr Woerner said that his Government welcomed the outcome of the meeting between Mr Shultz and Mr Gromyko. They agreed that research must continue on aspects of the Strategic Defence Initiative with the options left open for what should be done at the end of the research phase. The Americans had to carry out the research because the Russians were already doing it; the technologies involved might have wide applications; and it was clear that the SDI had brought the Russians back to the negotiating table.

12. The Secretary of State agreed with this analysis but said that he had some personal concerns about where this process would lead. The decision to proceed with research was the only one that was relevant at present and those anxious to achieve deployment would make any concession to get that decision. Similarly he believed that when there was scope for testing of parts of the system they would make concessions then about negotiations provided they got the go-ahead. Once matters had moved as far as this the military and industrial interests involved would be so great that the process would be virtually unstoppable. Dr Woerner agreed that it was doubtful whether deployment of such a system would lead to additional stability rather than just to competition between the Superpowers at a higher level. The German Government was concerned too over the implications for the British and French nuclear deterrents which they did not wish to see paralysed as a result of the deployment of more defensive systems by the Soviet Union. There could come a time when he was not a Defence Minister, when there would perhaps be a common European effort at this level.



13. In further discussion of the prospects for arms control, it was recognised that it would be very difficult to handle the triple linkage between strategic, INF and space weapons. In response to a question from Dr Woerner about the British Government's position on the inclusion of our deterrent, the Secretary of State explained that we had made it clear that if there were a large reduction in strategic arms we would not stand apart from this process; but we had deliberately not further defined what this might mean. Dr Woerner said this position was quite understandable: his Government's interest was that Britain and France remained nuclear powers.

WEU

14. Dr Woerner asked whether there were any issues that needed to be addressed on the next WEU meeting. The Secretary of State said that he had been pleasantly surprised by the outcome of the Rome meeting and was coming round to the WEU as an institution.

Report by National Armaments Directors

15. Herr Schnell introduced the joint report of the FRG and Britain's National Armaments Directors and went through it item by item.

16. On SP70, Herr Schnell said that the German side insisted on the appointment of a prime contractor. Dr Woerner commented that the cost of the programme had reached a point which was nearly unacceptable; after 12 years work only 1% reliability was being achieved and it was inconceivable to him how this result had come about. A single company had to be appointed prime contractor and made responsible for completion of development within a restricted timescale at a restricted price. The Secretary of State said that he was content to proceed on this basis and accepted that the prime contractor would be a German company. Given this, he believed that officials should urgently look together at the detailed arrangements including the way in which the work was to be shared. He was asking only that the German Government give the same consideration to British industrial interests as they would themselves seek in circumstances where the prime contractor was British. Herr Schnell emphasised his concern that the prime contractor should be allowed to take the decisions necessary to establish the programme on a firm footing within a limited cost and then be held accountable for his performance. He could not accept further delay while the three partners discussed how to re-establish the programme and emphasised that if it was not sorted out within six months, the project would be over as far as the German Government was concerned. The Secretary of State said that there was no need for extensive delay. To ensure that it did not happen as a result of inaction on the British side, he would arrange for a report to be made to British Ministers every Friday detailing where the programme stood, until the new arrangements had been established. Dr Woerner said that the German Government were content to proceed on this basis.



17. In discussion of MLRS, the Secretary of State said that he was delighted with the outcome. He believed that it merited publicity, and would wish to keep in touch with the German Government so that this could be concerted.

18. In discussion of EFA, Herr Schnell referred to the wish of the Dutch Government to join the project. It was agreed that effort should be made to achieve this at the next phase of the project.

19. The Secretary of State said that the British Government had yet to reach a decision about the choice between the Franco-German and Italian options for a future anti-armour helicopter but the Italian option seemed more likely to attract British interest. Before exercising such a choice he had asked that the option of a four-power programme should be further explored. Dr Woerner said that there were three reasons why the German Government had chosen to work with the French rather than on the project based upon the Italian option. The first was political, following failure of the Franco-German tank project. Secondly, they believed that the Italian option would not provide the capability required for the environment of the 1990s in areas such as the ability to operate at night; and thirdly, the Italian option would provide a helicopter which had reached its limits in technological terms by the time it was introduced. The Franco-German alternative would be technologically superior. The Secretary of State said that he would find it helpful to have these arguments set out in more detail. Herr Schnell commented that he was about to write to Mr Perry in response to the latter's letter.

20. The Secretary of State referred to correspondence about the possible purchase by the German Government of the ALARM anti-radar missile rather than the American alternative, HARM. Herr Schnell indicated that the Germans saw advantage in HARM since it was already in production. The Secretary of State pointed out that the same argument might apply here as had just been used in relation to the attack helicopter. HARM was available but ALARM was superior from a technological point of view. Moreover it was cheaper and he understood that 100% offset would be available. In response to a question about the risk of delay in its in-service date, the Secretary of State emphasised the special monitoring arrangements which had been established to ensure that the targets were met. Dr Woerner said that he was not aware of these issues and would go into them himself. The Secretary of State agreed to write to him about them.

21. The meeting ended at 1155.

Rum

Ministry of Defence
22nd January 1985



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