

Prime Minister

(4)

This contains some quite ambitious ideas about Anglo/French cooperation on new weapons.

A.J.C. 25/7



MO 14/4

NOTE FOR THE RECORD

M

RECORD OF A MEETING BETWEEN THE DEFENCE SECRETARY AND THE FRENCH DEFENCE MINISTER HELD AT THE HOTEL DE BRIENNE AT 1645 ON THURSDAY 21ST JULY 1983

Present:

The Rt Hon Michael Heseltine MP
Secretary of State for Defence

Monsieur Charles Hernu
Ministre de la Défense

Mr G Pattie Esq MP
Minister (DP)

S E Monsieur de Margerie
Ambassadeur à Londres

Sir J Fretwell
HM Ambassador, Paris

Général Lacaze
Chef d'Etat-Major des Armées

Field Marshal Sir Edwin Bramall
GCB OBE MC
Chief of the Defence Staff

Ingénieur Général de l'Armement
Guigue
Délégation Générale de l'Armement

Sir Clive Whitmore KCB CVO
Permanent Under Secretary of
State

Vice-Amiral Mosneron Dupin
Attaché des Forces Armées à
Londres

Mr David Perry
Chief of Defence Procurement

Monsieur Heisbourg
Conseiller diplomatique

Air Commodore J M A Parker
Defence Attache

Contre-Amiral Hugues
Chef Cabinet Militaire

Mr R C Mottram
PS/Secretary of State

Ingénieur Général de)
l'Armement Audran) Note
Monsieur Arnaud) takers

1. Prior to the full meeting of both delegations, M Hernu showed the Secretary of State some of the historic rooms in The Hotel de Brienne but did not suggest a private meeting.



2. Opening the formal meeting, M Hernu said that it was sometimes the case that the closest of friends neglected the need to keep up their relationship. It was said that there was little defence co-operation between Britain and France but during the Falklands incident France had stopped the export of arms to Argentina and the two Military Staffs had been in close contact. It was said that the approaches of the two countries to arms co-operation were different but he was not sure that this was the case. Under the Elysee treaty, he and Dr Woerner were committed to regular meetings but this did not mean that the British had to be excluded. He suggested that they might first talk about bilateral co-operation and then have a more general exchange about security matters within Europe. The Secretary of State referred to the importance he attached to the Franco-British relationship. He had heard nothing but praise for the assistance which the French Government had provided during the Falklands war. The problems which had arisen over equipment were the unavoidable consequences of the international arms trade. Britain did not want to disrupt the closeness of the Franco-German relationship but rather to establish similarly close relations on a trilateral basis.

3. - Turning to equipment co-operation, the Secretary of State said that Britain had moved too slowly towards European co-operation during the 1970s. But there had now been a significant change in attitudes. It was the responsibility of Government to encourage industrialists to strengthen these links still further. He believed that the right way forward would be for M Hernu, himself and Dr Woerner to meet regularly to see that progress was being maintained. The Secretary of State recalled that he had been the Minister who persuaded the British Government to come into the European Space Agency: this had involved a small amount of money but a big commitment. It was perhaps ironic that one of the items on their agenda was the question of using Ariane to launch Skynet 4. M Hernu commented that arms production and sales employed over one million people in France and considerable thought was being given to policy in this area. Restrictions were maintained on sales to certain countries such as South Africa and Chile and there was no question of exporting sensitive technology to the East. As to bilateral equipment relations, it was a fact that they had declined and it was important to establish the reasons for this. He was in no way hostile to developing multilateral co-operation but the right way to start this was by establishing a sound relationship with Britain and West Germany. He had had it in mind to propose a trilateral meeting in early November. Co-operation had to be seen in the context of France's economic problems and the need for national self reliance in armaments. Important industrial sectors could not simply be abandoned. But this did not mean that there was not wide scope for co-operation in areas such as engines, tanks, aircraft, helicopters, and other weapons. And they might talk first about the launcher for Skynet 4.



Launcher for Skynet 4

4. The Secretary of State said that a clear course of action for the launch of Skynet 4 was already under way when he had arrived at the Ministry of Defence. To change course now would entail extra costs and a range of other penalties. He recognised, however, that he appeared to be in the position of seeking co-operation in general but explaining why he could not co-operate in particular. He had decided not to take a decision on the launcher until he had had the opportunity for a full exchange of view. He would be very frank in explaining his difficulties. In the design of the Skynet 4 satellite, we were married in to the shuttle as the launch vehicle and if we changed now the contractor would have to do redesign work which would enable him to re-negotiate the whole contract. We had already made payments to the shuttle programme and a cancellation fee would be involved if we changed course. The alternative of Ariane would itself involve a cost premium of some £8-9 million. There were perhaps ways in which we could overcome the shortage of capacity while waiting for an Ariane launch but these too would cost money. All in all we were talking of a cost penalty of the order of £20 million. The United States would see a decision in favour of Ariane as being a political one and there could be repercussions ^{how} for our sales to the American market. Decisions had had to be taken about/ to maintain our operational capability at a time when the Ariane project was less well developed and, as a result, we were more committed to the shuttle alternative than would have been the case if we were considering the issues from scratch now.

5. M Hernu said that he perfectly understood our situation. As he understood it, the costs quoted by Arianespace were competitive particularly when the better technical performance of Ariane was taken into account. It offered better accuracy of ejection and so a longer life in orbit. The French authorities were also willing to discuss any security problems that we might have. In discussion, it was established that there had already been extensive consultations between experts and that the better accuracy of Ariane was only a theoretical bonus since the Skynet 4 satellite itself would not have a sufficient life to exploit it. In response to questions about cost, the French side ~~stated~~ stated that this was a matter for Ariane - space and not for the French Ministry of Defence. It was agreed that any further points of clarification should be pursued between the experts.

RTM 322 Engine

6. IGA Guigue referred to the proposal of Rolls Royce and Turbomeca to develop an advanced engine for use in tactical transport helicopters and possibly the EH 101 helicopter. The French were making provision in their 1984 budget. If Britain also participated we could embark upon a European programme for helicopter engines against US competition. The Secretary of State said that we would be pressing ahead with the EH 101 project provided that the Italians also did so. The advantage of the General Electric T700 engine was



that it already existed. We were however sympathetic to proposals for the development of the RTM 322 and hoped to reach a view on this later in the year. Sir Clive Whitmore drew attention to the problem of timescales and made it clear that the T700 would have to be used for the development programme for the EH 101. IGA Guigue said that the French were very well aware of the position on the first prototype but they hoped that we would keep open the option of using the RTM 322 for production helicopters and possibly for the very last prototypes. The Secretary of State commented that he would look at the steps that were necessary to keep the options open. M Heisbourg commented that the British appeared to be in the same position on the T700 as the French were in the case of the F404 for their future combat aircraft.

Engine for the ACX

7. In response to a question from the Secretary of State about the case for selecting the RB199 as the engine for the ACX, IGA Guigue said that the choice of engine for the ACX had no significance for the decision on the engine for their future combat aircraft. They had to use an engine in the weight range of 7-7.5 tons and the choice was effectively between the RB199 and the General Electric F404: for the future combat aircraft they would be looking for something lighter. M Heisbourg commented that a decision had not yet been taken but the trend was in favour of the F404.

Future combat aircraft

8. The Secretary of State said that the Royal Air Force had a requirement for a new combat aircraft in the 1990s and his staff were anxious that work should proceed on how to meet that requirement for both industrial and financial reasons. He would be interested to hear how M Hernu saw the problem. Mr Hernu said that they were not yet a long way ahead on meeting that particular need but it would be important to establish a programme and not to allow it to slip.

France could not afford to fall behind its potential adversaries. IGA Guigue said that the ACX was not a prototype for the future combat aircraft - the ACT. The ACT would not be the same size, it would not use the same materials, and, above all, it would have different weapons systems. The ACX was essentially a study vehicle for the airframe. The ACT was at the design stage and development was planned to begin in 1986. At that stage there would be the first serious study of the components to be used. The first prototype would fly by 1989-90, with production beginning in mid to late 1991. The Secretary of State said that the timescales for the requirement in the two countries seemed similar. The choice lay between establishing a common programme or going their different ways. He believed that a dialogue should be established very quickly between officials and between



representatives of industry to establish the options for a common programme which could then be considered by Ministers. In making this proposal, he recognised that at the outset each of the parties would have to accept that there would be a realistic apportionment of the industrial and technological benefits of the programme. They had to face that difficult decision now. M Hernu said that he fully agreed with the benefits of seeking a common venture now on the single condition that this approach would not delay the programme which France needed for its defence.

9. In further discussion of the handling of this work, M Hernu suggested that the starting point was to identify a common requirement in a common timescale. The manufacturing options and the choice of the engine were secondary. The Air Staffs might review the requirement and report to a Ministerial meeting, on a trilateral basis, early in November. The Secretary of State commented that, while it was very important to establish the views of the Air Staffs, he believed that industrialists in each of the countries should begin talking as soon as possible. A parallel process was preferable: otherwise industrialists would get to know of the work in hand and each lobby intensively their own Minister in a way which would be very difficult to control. Sir Clive Whitmore pointed out that industrialists were already talking to each other and the problem would be how to harness the discussions. M Hernu suggested that to meet these difficulties there should be an earlier trilateral meeting of Ministers in September rather than November to establish how the work was to be carried forward. The British side welcomed this approach. Mr Pattie pointed out that there could be sensitivity in Germany about such a meeting before proposals had been put to the Bundestag on the Air Staff target on which the German Air Staff were working. The public presentation of a meeting would need careful handling to take account of this. M Hernu commented that the meeting might be presented as the usual exchange of generalities between Ministers about security issues which would excite little interest or comment from the press.

Future tank

10. In response to a question from the French side about possible co-operation on a future tank, Field Marshal Bramall said we envisaged a requirement for a new tank in the middle 1990s or slightly before. Challenger would provide a replacement for half of our Fleet. The next step might be for the Staffs to get together to seek agreement on a tactical concept. M Hernu agreed.

Nuclear arms control

11. M Hernu said that he wished to make three points about the position of France on nuclear arms control. First, France could never accept that its independent nuclear forces should be counted in an agreement at Geneva. The Soviet Union sought to count French forces in the NATO total in order to create difficulties between



Europe and America. The French deterrent was not part of NATO's force structure. It provided a last resort defence should America ever become isolated from Europe and France face the choice of using its own forces or accepting Sovietisation. There was a second less official and less discussed concern about treating French forces as part of a fixed NATO total. If under this arrangement a French President decided to increase the number of his strategic submarines or the number of warheads on each of his missiles, this could go ahead only if the United States was willing to reduce its own inventory to make room for the French addition. The Soviet Union would have succeeded in turning a deterrent to a Soviet threat into a source of friction between France and the United States. Thirdly, he wished to emphasise that France did not want to see the large scale deployment of new intermediate range nuclear missiles in Europe. But the threat from the SS 20 could not be ignored and, if the Soviet Union would not take the necessary steps to eliminate it, then the United States would have to move to restore the military balance. It was an imbalance in forces which led to war.

12. The Secretary of State said that these questions were some of the most intellectually testing with which we had to deal. There was no way in which Britain's independent strategic deterrent could be traded for Soviet SS 20s in a negotiation in Geneva. There was no pressure from our allies and the United States was totally resolute in resisting it. The difficult question came when people asked what would happen if the START talks were to bring about a major change in the scale of the strategic weapons of the superpowers. It was intellectually untenable to argue that, looked at from the Soviet point of view, only US force levels mattered and the British and French deterrents could simply be ignored. There was a genuine problem here. The line which he had been taking in public was that if in START there was a massive breakthrough which changed in a dramatic way the scale of superpower deployments, we would not stand aside from considering the implications for our own irreducible minimum strategic nuclear deterrent. When asked what this meant in practice in relation to British participation in arms control talks and to the scale of our deterrent, he fell back on essentially repeating the same formula. There were only a very small number of people on both sides who could influence the course of the arms race and those with political responsibilities had to consider every possibility for establishing a meaningful dialogue. M Hernu said that France's refusal to allow its deterrent to be counted in US/Soviet talks did not mean that there were no circumstances in which France would be prepared to participate in a nuclear arms limitation exercise. France could preserve its independence and freedom only by the possession of a nuclear deterrent and knew that



the deterrent as it presently stood was the absolute minimum level necessary to deter the Soviet Union. France could not accept any reduction or constraint on modernisation which took her below this level. Nuclear reductions should begin with the superpowers whose strengths were so disproportionate to those of the smaller nuclear powers. If circumstances changed, France would take a searching look at what might be possible. The Secretary of State commented that their views were at one.

Rum.

Ministry of Defence
25th July 1983

NOT TO BE COPIED FURTHER WITHOUT
REFERENCE TO THE PRIVATE OFFICE

PS/Minister (AF)
PS/Minister (DP)
PS/US of S (DP)
PSO/CDS
PS/PUS
Sec/CNS
PS/CAS³
MA/CGS
PS/CDP
PS/CSA
PS/CA
PS/HDS
DUS (P)
DUS (FB)
DUS (Pol) (PE)
DCAWL
ACDS (P)
ACDS (CIS)
AUS (D Staff)
AUS (IP)
AUD (Air) (PE)
Head of DS12
Head of DS17
Head of IP2

PS/Prime Minister
PS/Foreign & Commonwealth Secretary
PS/Chancellor of the Exchequer
PS/S of S for Trade & Industry
PS/Secretary of the Cabinet
Sir J Fretwell, Paris
Sir O Wright, Bonn