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NOTE OF A MEETING BETWEEN THE SECRETARY OF STATE FOR DEFENCE AND THE
FEDERAL GERMAN MINISTER OF DEFENCE: FMOD BONN, 4TH OCTOBER 1988

Present:

The Rt Hon George Younger MP
Defence Secretary

Professor Dr Rupert Scholz
Minister of Defence

Sir Christopher Mallaby
HM Ambassador

Dr Lothar Ruhl
State Secretary

Mr D Nicholls
DUS(P)

General Schoenbohm

Mr H Colver
CPR

General Naumann
Head of Policy & Plans

Mr E W L Hedley
Hd Sec(NATO/UK)(P)

Colonel Schuwirth
Military Assistant

Colonel I Fowler
DNATO

Interpreter

and others

Brigadier N Pughe
Defence Attache

Captain W Hutchison
Naval Attache

Mr B Hawtin
PS/Secretary of State

Anglo-German Corporation

1. Dr Scholz said that the close and frank ties underlying what President von Weizsaecker had termed "the quiet Alliance" were not dependent on major declaratory statements. Indeed, such statements would risk weakening the ties and making them devoid of substance. However, public understanding and appreciation of the extent and depth of the links were not as great as they should be. BAOR was an integral part of forward defence and of Alliance strategy but the regrettable fact was that the public did not understand this broader context; they tended to focus on exercise damage which was only a marginal issue. It was crucial, therefore, to publicise the vital role played by the British Forces in Germany more effectively and to



improve public understanding of the depth and substance of bilateral Anglo-German co-operation. He proposed that at their press conference they should announce the formation of a study group to look at how to build further on that co-operation, including training, and to show the public that the quiet Alliance was being developed.

2. Mr Younger agreed that whilst existing bilateral defence links were extremely close and effective, there was a need for greater publicity. He would be content with a Joint Study to look at ways of obtaining greater publicity and of injecting even more substance into bilateral contacts. Possible ideas were seminars to co-ordinate views on East-West relations, more exchanges of personnel and more joint training. Recommendations should be made to Ministers as soon as possible, and certainly by December and they should take stock at the forthcoming NPG Ministerial meeting. But it was important that the press statement should make it clear that the objective was to develop the existing bilateral co-operation further within the framework of the Alliance. After further discussion they agreed that the study should be conducted at senior official level. In the first instance, it was agreed that Dr Ruhl and Mr Nicholls would be nominated to take matters forward. [The decision to set up the Joint Study was announced at the press conference, the outcome of which is summarised in Bonn telno 990].

EFA

3. Mr Younger gave a brief account of the Prime Minister's conversation with Senor Gonzales and of his own talks with Senor Serra. There was every indication that Spain intended to remain in the EFA programme but that considerable industrial and financial problems over their participation remained to be solved. Rolls Royce and Ferranti were trying to be as helpful as possible but there were rumours that Spain might reduce her share from 13% to 9% and would be unable to sign the MOU before November. The delay was causing growing problems over progress payments to Rolls Royce and BAe.

4. Dr Scholz said German industry faced the same problem. Serra had phoned on 26th September hoping to speak to Dr Woerner! He (Scholz) had taken the opportunity to ask him about EFA; Serra had talked profusely but was evasive in his answers. On 27th September, Dr Timmermann had visited Madrid for talks with de la Cruz on EFA. He was assured that Spain would remain in the programme and retain a 13% share subject to a satisfactory outcome on four points: the position on tenders which could cause problems in relation to the 13% share if they were submitted through NEFMA; the need for greater industrial involvement in construction of simulators, drawing on the F18 experience; the need to ensure that, having developed an industrial engine capability for EFA, there would be civil projects thereafter which pointed to a joint venture with Rolls Royce; and the budgetary problems, which would be less if the industrial



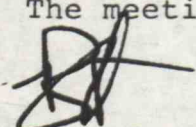
difficulties could be overcome. Dr Timmermann had made it clear that whilst he hoped that a joint solution to these problems could be found as soon as possible, it would have to be agreed by all the EFA partners. But there might be scope for bilateral German help over simulators. The question was how best to involve industry and to formulate specific proposals dealing with the Spanish concerns.

5. Mr Younger said quite apart from the need to consult industry, he understood that if Spain did not sign by mid-October there would be growing problems with the Bundestag over funding; the Italians might face similar difficulties. Dr Scholz agreed that the word in the Bundestag was difficult with criticism being expressed by both Opposition and CDU members. It was, therefore, essential that there should be no change to the MOU since this would require reference to the Bundestag. While mid-October was not a final deadline for funding, a delay to, for example, December would cause grave difficulties with both the Ministry of Finance and the Bundestag. It was agreed, therefore, that a joint political message to Serra from the British, German and Italian Defence Ministers urging the importance of very early signature of the MOU, recommending that the NADs should meet urgently to consider how to resolve any outstanding industrial problems, and suggesting a special meeting of the EFA partners at the end of the NPG Ministerial to reach agreement on Spanish participation. [Note: Action on preparation of such a message is well in hand.]

Low Flying

6. Dr Scholz said that it would be important to tell the press that discussions would take place at Ministerial level to look at the problems and to find ways of reducing the burdens on the German people. Mr Younger said that discussion had to be held in an Alliance context. (Dr Scholz agreed.) Whilst he was sympathetic, essential training had to continue and he was not in a position to offer any reduction in the amount of low flying. He would, however, be ready to look at ways of reducing the effect of low flying. Dr Scholz said that he was under a great deal of pressure on the issue. Only the experts could determine whether the amount of flying could be reduced but in the meantime it was important to demonstrate publicly that the problem was being looked at seriously, without going into details. Mr Younger repeated that he would be content to say that ways of reducing the impact of low flying were being examined but it was important to avoid saying that flying hours would be reduced as that might not prove possible.

7. The meeting lasted an hour.


Ministry of Defence
6th October 1988



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