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PRIME MINISTER

MEETING WITH CHANCELLOR KOHL

You go to Germany on Sunday to see Chancellor Kohl. You have an hour of talks followed by a working lunch and a short press conference. You then go off together for a sight-seeing tour, the itinerary for which will be decided by Kohl at the last minute.

Presentation

There is intense public interest in this meeting. The expectation is of a confrontation (a 'handbagging') of nuclear proportions. You should certainly be very tough with him in the private sessions. And you will want to explain your point of view to the wider public through the media. But there is nothing to be gained by an appearance of rage or rancour. We are the ones who want to save NATO from a damaging split. We also have an interest in preserving Kohl: always keep a hold of nurse for fear of finding something worse (and the alternative is much worse). You should exude good-humour and confidence that any problems can be overcome: after all NATO is just too important to Germany for it to be put in jeopardy, especially in its 40th Anniversary year. And by praising Kohl's past firmness and resolve on defence issues, you will make him feel uncomfortable about seeming to weaken in the future. Far from being a make-or-break affair, your meeting is simply one of series of continuing contacts between Britain, Germany and other Allies between now and the Summit. Another way of defusing the appearance that Britain and Germany are at a flashpoint will be to make the point that SNF is only among the subjects you have been discussing.

But you will also want to get some clear messages across to German opinion. The main ones are:

- NATO has preserved Germany's freedom since the end of the Second World War. Keeping NATO strong and united must come before any other consideration;

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- we all recognise the new opportunities created by the changes Mr. Gorbachev is making, indeed Britain was first in the field. We should certainly explore them. But not at the expense of NATO's unity: that would just play into Gorbachev's hands. We have to keep our defences strong and sure;
- we must not be starry-eyed about the Soviet Union. We have to recognise the facts: they have modernised 95 per cent of their short-range nuclear weapons over the last five years and are even now developing new short-range missiles. It's not a question of NATO giving a new twist to the arms race: we are well behind the Russians;
- we recognise Germany's enormous contribution to NATO's defence. But it is wrong to think that Germany is somehow much more exposed to nuclear attack than any one else. Britain and the US have very substantial forces in Germany which share the risk. We want them to be properly protected. And our independent nuclear deterrent makes us just as much a target as Germany. We are all exposed to danger from the Soviet Union's military might which is why we seek collective defence in NATO;
- flexible response is NATO's strategy and SNF are crucial to it. The alternative is to go back to a trip-wire strategy of massive nuclear retaliation, with no intermediate options. Is that really what Germany wants?
- we are not opposed to negotiations with the Russians, for goodness' sake. We are negotiating on conventional forces or chemical weapons (and the Americans are on strategic nuclear weapons). But the starting point is not what you can get rid of: it's

what you need to keep to ensure NATO's defence. And short-range nuclear weapons are crucial to that;

- people say that if the Russians have so many more SNF than NATO then surely negotiations to reduce them are in NATO's interest. But that misses the point. The Russians want to get all nuclear weapons out of Europe, because that would leave them with a massive advantage in conventional and chemical weapons, as well as the geographical advantage of their huge hinterland. We need the small number of SNF we have: they are a vital part of our defence. So instead of negotiating them away, we should challenge the Russians - if they are serious - to come down to NATO's levels. SNF negotiations can only be to NATO's disadvantage.

Meeting with Kohl

Kohl wants to start by explaining his internal political situation, before going on to SNF, general East/West relations, South Africa, European monetary issues and the Economic Summit.

SNF

You might start by saying that you have not come with the intention of having public recriminations on this issue. You suggest that after the meeting you should both take the line that the purpose of the discussion has been to work for a successful 40th anniversary Summit, based on adherence to NATO's basic aims of defence and dialogue.

You might then deploy the following arguments:

- last November you and Kohl were agreed on the desirability of an early NATO Summit to take the decision on modernisation. That was what you both knew to be in the best interests of NATO;

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- since then nothing has changed on the international scene to invalidate that judgment. The change has come exclusively in Germany's internal politics;
- you sympathise with Kohl's difficulties. You want him to remain in power, because you know that he believes in the same things as you do - strong defence, alliance with the US;
- the conclusion you draw is that we must find an outcome at the NATO Summit which does not increase his difficulties. But no less important, it must be a solution which preserves NATO's unity and strength;
- Kohl has spelled out the German position and that of course is perfectly legitimate. Our position is different. What we now have to agree is the NATO position. If necessary, it will have to be hammered out at the NATO Summit itself. Although Kohl may have the support there of several of the minor allies, he will find himself at odds with Britain and the United States, with NATO's whole reputation in its 40th anniversary year on the line. Does he really want this?
- we need to identify the elements of a position which could be agreed at the Summit. You accept that Kohl cannot, because of his political difficulties, contemplate a decision on the deployment of a successor to LANCE (although you still believe that is what NATO ought to decide - and you remember his earlier display of resolve over the deployment of Pershing II). But we must as a minimum have (a) clear and unqualified confirmation of the requirement for SNF for the foreseeable future; (b) a repetition of the commitment at the last NATO Summit to keep these weapons up to date and (c) support for the US development programme for a successor to LANCE. These are all in fact commitments which NATO has in

the past accepted. You cannot believe that Germany, as a loyal member of NATO, would actually renege on what it has previously agreed;

- when it comes to the arms control dimension, then we are in a much more difficult position. Of course we accept the need for an arms control aspect, and indeed one was set out in the Rekyavik communiqué and we can repeat that. But we have not been able to identify any outcome for SNF negotiations which would be in NATO's interests. He must understand therefore that Britain and the United States are not going to agree - before or at the Summit - to early negotiations on SNF. He can push as much as he likes, but he is not going to get that because we and the Americans believe that it would fundamentally weaken NATO's strategy of flexible response, and lead to denuclearisation of Europe;

- we need therefore to focus on what can be agreed. The first point is a clear statement that we do not want a third zero. Kohl has said this to you time and again, and you were amazed that it did not feature in his statement to the Bundestag;

- the second point should be a challenge to the Russians to make unilateral reductions in their SNF, to reduce their overwhelming superiority and bring their forces down to NATO levels;

- the third point is to underline the scope for further unilateral reductions in NATO's nuclear artillery, if at the same time we keep our other SNF up to date. SACEUR has made clear this can be done. But it must be a unilateral decision by NATO based on our requirements, not a matter of negotiation;

- at the end of the day, it all comes down to the sort of signal which we want NATO to give on its 40th anniversary. Do we want it to look divided?

That is what will happen if the present disputes continue between now and the Summit and there will be no doubt where the responsibility lies. It is not we who are trying to change NATO's agreed policy.

There are two possible concessions which you could deploy at this point, if Kohl had accepted your other arguments (which is unlikely). The first is to say that, if the Russians come down to NATO's SNF levels and there are concrete results in the conventional force negotiations, then we would be prepared to review the scope for further measures to reduce SNF (leaving open whether this would be done unilaterally or collectively). But we probably need to keep this for a later stage of the discussions. The second would be to say we could accept a reference to continuing discussion in NATO of the question of negotiations on SNF. But we do not want a special working group set up with a mandate to consider this: that would lead us straight down the road to negotiations. I doubt very much whether it would be right to deploy either of these concessions on Sunday.

If he proposes follow-up meetings of officials you might say that there will certainly need to be normal contacts, and the best forum might be a tripartite Anglo/American/German one. But the issues now are intensely political and you doubt that they can be resolved below the political level. You are ready to take them to the Summit itself if necessary.

Low-flying

You will want to register your concern that we maintain an adequate level of training for our forces. RAF Germany is already exporting 40 per cent of its low flying elsewhere, and the low-flying burden is just as heavy in the UK as in Germany. We have certain minimum requirements (20 minutes per sortie at 250 feet and 80 sorties per pilot per year) and we

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cannot go below them. We simply cannot accept any arbitrary reductions.

East-West relations

You will want to go over Gorbachev's visit (on which you sent him a message). The point to get across is that a warm atmosphere and frank talking are perfectly compatible.

You might also deal with Poland. Clearly political reform must have its reward in greater economic assistance. But it would do the Poles no real service to help them evade an IMF agreement and bilateral debt agreements as a further condition for our assistance.

Chemical weapons

You could tell him of the firm line you took with Gorbachev, and suggest that the NATO Summit should underline the need for Soviet openness.

European Community

There are several points here:

- economic and monetary issues. You will want to point to the absurdity of the Delors Committee injunction that accepting the first steps towards EMU requires a commitment to the whole process. You should urge a cautious approach at Madrid which concentrates on practical and procedural rather than institutional aspects;
- you will want to establish his position on an EC withholding tax now that the Germans have abolished theirs;
- you should urge a practical approach on frontiers. We are ready to get rid of unnecessary controls. But as an island we must keep them at water's edge and airports where they are necessary for security, and animal and plant health;

- the Community must not try to railroad through worker participation. We don't want to interfere in anyone else's practice, and they should not interfere in ours;
- you will want to mention your wish for a discussion of fraud at the Madrid Council.

Terrorism

You will want to express regret for the death of the Germany explosives expert, , and point to the significance of the Frankfurt investigations for Lockerbie.

South Africa

It would be helpful to give him your conclusions from your visit to Southern Africa and meetings with Botha and du Plessis. We very much hope the Germans will join us in support for the Urban Foundation's proposal to establish a housing loan guarantee for black South Africans. The Americans have now promised support.

Nuclear Reprocessing

You should remind him that BFNL are discussing the use of their reprocessing facilities at THORP with several West German utilities. We noted the declaration issued on Franco-German co-operation in this area at the recent summit between him and Mitterrand. We hope that it is not intended to exclude the UK.

A full set of briefs and supporting papers are in the folder.

C. D. POWELL
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