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NOTE FOR THE RECORD OF A MEETING WITH THE FRENCH DEFENCE MINISTER
M. CHARLES HERNU, IN PARIS AT 1830 ON THURSDAY 29TH NOVEMBER 1984

Those Present:

The Rt Hon Michael Heseltine MP
Secretary of State for Defence

M. Charles Hernu
French Defence Minister

Mr D Nicholls
DUS(P)

IGA Blanc

Mr R C Mottram
PS/Secretary of State for Defence

M. Sibiude

M. J F Bureau

Brigadier Vivian
Defence Attache, Paris

CA Coupe

Mr W Davies
British Embassy, Paris

Mr P Ford
British Embassy, Paris

Equipment Co-operation

1. After a preliminary tête à tête exchange which covered no points of substance, M. Hernu said that he had informed the Council of Ministers that morning of the outcome of the IEPG meeting in the Hague. The President was pleased with the result. The French Government were content that the next IEPG meeting should be held in London. The Secretary of State said that he had talked to the Prime Minister about the outcome of the meeting who had enquired about the practical effects in terms of new co-operative projects. He believed that there were now real opportunities to strengthen co-operation and to improve the two-way street with the United States, to the benefit of Britain and France as the European countries with the two biggest armaments industries. They needed now to follow-up the general principles agreed at the Hague in a way which encouraged the smaller European countries to participate rather than to rely on the United States for their equipment, but without creating in them industries which duplicated those already in being in France and Britain. They needed too to address how their own industries could be persuaded of the benefits from a more integrated approach within Europe. He had already started to prepare the ground with the British press and the



outcome of the Hague meeting had so far had a very balanced reception. To ensure the general principles agreed there were carried into action, he intended to issue instructions that before proposals for equipment programmes were put to him, all opportunities for collaboration must be explored and the results reported in the papers seeking a decision.

2. M. Hernu said that the role of the smaller European countries raised difficult issues. They were beyond the stage where the four European countries with strong armaments industries could simply sell equipment to the others. They expected assistance in establishing a viable defence industry in their own country. Once such an industry had been established, it proceeded to sell equipment in competition with France and even to countries which France herself was unwilling to supply. This was not a satisfactory outcome in moral or other terms. While they had to accept that technical assistance would be provided to other European countries if they were to resist US competition, it was important to establish rules over third country sales. The IEPG had an important role to play in establishing a concerted approach but other fora, such as the WEU, were also important. They should not expect too much of the IEPG. To achieve collaboration on complex projects, it was necessary to restrict participation to a small number of countries: two countries together could achieve something, with three progress was possible, by the time four were involved it became very difficult. He therefore believed that the United Kingdom, the Federal Republic of Germany and France should work closely together in this area. He agreed with the importance of making clear to industry that there was a genuine political will to achieve enhanced co-operation and he had already taken steps to do this. In France it was also necessary to explain matters clearly to the Trade Unions. Within Government, he had issued specific instructions to the Heads of the Armed Services and to those responsible for equipment procurement on the need to harmonize equipment specifications.

3. The Secretary of State recalled that when he had first become Defence Secretary, he had been much attracted by a trilateral approach to collaboration. But the Italian Government had reacted extremely strongly to their exclusion and he had come to feel sympathy for their concerns. They had acted with great resolution over the deployment of Ground-Launched Cruise Missiles and it seemed wrong to belittle their position. He wondered therefore whether there was a case for establishing a quadripartite inner group. M. Hernu said that he recognised the Italian case. But the problem was one of drawing the line there: others, like Spain, would argue that they too should be involved. The Secretary of State said that there were differences in the scale of defence industrial capability which would justify drawing the line at four countries.

4. The meeting ended at 8pm.

5. When the two Ministers met at 9am the following morning, the first part of the discussion concentrated on the text of the joint statement to the plenary session and subsequently to be drawn on in public. The Secretary of State said that he hoped that they might follow through the close identity of view that they had established in their earlier discussion by increasing their contacts at both Ministerial and other levels.



M. Hernu agreed. He suggested that their Chiefs of Defence Staff and National Armaments Directors might hold joint meetings. (M. Blanc pointed out that he already had frequent meetings with CDP). They might also encourage contacts between their respective industrialists. The Secretary of State said that, while it was very important to press ahead in the area of armaments co-operation on the lines they had agreed, he hoped too that there might be a more extended dialogue on politico-military questions involving both Chiefs of Staff and the relevant civilian experts. It was agreed that these exchanges should involve staff from Foreign Ministries as well as from Defence Ministries.

6. A copy is attached of the text of the joint statement as finally agreed

Equipment Projects

7. At the end of the meeting, M. Blanc referred briefly to some specific opportunities for collaboration. He hoped that we would look carefully at the scope for collaboration with France and Germany on helicopters, on which the Secretary of State commented that he would need to reach a view soon on the competing opportunities for collaborative projects involving Italy or France and Germany. M. Blanc said that co-operation on satellites might be enhanced by Britain making use of French trial facilities at Toulouse, which he had discussed with CDP. The Secretary of State said that he would look at that. He asked about the French position on airborne early warning. M. Blanc said that France hoped to conduct trials involving the competing equipments before next summer. Meanwhile they were faced with the difficult problem that the AWACs system was reaching the end of production and some action had to be taken with Westinghouse if the AWACs option was to be preserved. This would not mean that a final decision had been taken, rather it kept open one of the options. The Secretary of State said that he understood the French position. The problem was that a "small step" of the kind now contemplated tended in the event to turn into a much bigger commitment. He hoped that options were not being closed off.

8. The meeting ended at 10am.

Rm.

6 DEC 1984

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JOINT DECLARATION OF THE DEFENCE MINISTERS

1. The two Ministers noted with satisfaction the existing relations between their Departments and affirmed their common will to enhance their exchanges across the range of their responsibilities.
2. This is especially true of cooperation in the field of defence equipment. In this connection they reviewed the conclusions of the recent IEPG meeting in the Hague to re-emphasise this strengthened European contribution to the Alliance in the field of equipment.
3. They considered specific measures that could be taken to give full effect to the conclusions of that meeting.
4. The intention is to improve the commonality and quality of European arms products and at the same time to contribute to a more balanced defence trade with the US.
5. To this end Ministers agreed to instruct their officials as a matter of routine fully to examine cooperative possibilities relative to timescales and characteristics before individual weapon project proposals were considered for approval.
6. They also decided to initiate discussions with senior representatives of defence industries in order to stimulate opportunities for cooperation at the industrial level.
7. The Ministers agreed to pursue these measures in full consultation with their European counterparts.
8. Finally they decided to invite their staff to pursue exchanges on political-strategic issues.

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