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CONFIDENTIAL

Ref. A09461

PRIME MINISTER

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Meeting with Chancellor Schmidt

When I saw you at the start of the Election campaign you agreed that the provisional arrangements for Chancellor Schmidt's visit on 10th-11th May should stand provided you were able to fly to Scotland during the afternoon of 11th May.

2. The visit begins with a restricted discussion and dinner on the evening of 10th May: continuing with a plenary session, Press conference and lunch on 11th May. You would then fly to Scotland while Chancellor Schmidt would go to Oxford for the Honorary Degree ceremony.

3. No. 10 will be consulting you about the administrative and hospitality arrangements: and the briefs for the meeting are ready for you to read as soon as you have time. This submission raises a different point on which an early decision would be helpful.

4. There is now a well-established pattern whereby the Federal German Chancellor makes a working visit to this country each year and the Prime Minister pays a return visit. Similarly there is an annual bilateral with President Giscard. Apart from the valuable personal contacts which these visits provide, they also have a wider significance. Under the Franco-German Treaty, signed by Chancellor Adenauer and President de Gaulle, there is a large and formal Franco-German meeting every six months when the Head of Government is accompanied by a large number of his Ministers and senior officials. These meetings, apart from their symbolism, have had practical advantages. Because other Ministers and officials have been there to hear the results of discussions between the two leaders (and vice versa) the meetings have led to effective follow-up of decisions reached: and the personal contacts made have led to much closer direct dealing (e. g. over the telephone) between the two Administrations. We do not need anything as elaborate as this. But our bilaterals with France and Germany are important in maintaining relations between the three countries on a triangular basis. This is why the pattern has been developed of the Head of Government being accompanied by a small team of Ministers and senior officials.

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Thus while you have your tete-a-tete with Chancellor Schmidt the other Ministers have bilaterals and then all concerned join in a plenary. As host it is for you to decide which of your colleagues you wish to include. Depending on the appointments you make I suggest that you might want to be accompanied by the Foreign Secretary, the Chancellor of the Exchequer and the Secretary of State for Defence. The Foreign Secretary and the Chancellor are obvious choices, but at the present time there are a number of important issues in the defence field (e.g. SALT and grey areas) where a discussion between Defence Ministers would be particularly valuable. It will be important for us to let the Germans know your wishes very quickly so that they can make matching dispositions.

*Difference - what. Am  
worried about Treasury*

5. Finally I should perhaps mention one other point. In the case of major Heads of Government visits (inward or outward) I would normally talk to Sir Michael Palliser and the other Permanent Secretaries concerned a few weeks in advance and then submit to you "objectives" on the scope and purpose of the visit. This enables you to express your wishes at a sufficiently early stage for account to be taken of them in the briefing process and other arrangements. On this occasion we have, of course, had to anticipate your wishes on the assumption that the main purpose of the visit will be to establish a rapport with Chancellor Schmidt rather than to conduct substantive negotiations.

*John*  
(John Hunt)

*4/5*

*We need to  
take a preliminary  
view on E.M.S.  
before the meeting,  
otherwise we shall be  
in a weak position.*

*N.B. I note the observations on the  
value of these visits contained in para 4  
but there are really too many of them.  
Perhaps I can judge better after a few have  
been held.*

*John*