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COPY NO:

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TO FLASH FOREIGN AND COMMONWEALTH OFFICE TELEGRAM NUMBER 857
 OF 4 MARCH, 1973.

MONETARY SITUATION.

PERSONAL FOR ARMSTRONG AT NUMBER 10.

FOLLOWING IS TEXT OF CHANCELLOR BRANDT'S MESSAGE TO PRESIDENT
 NIXON IN UNOFFICIAL TRANSLATION -

QUOTE

DATED BONN 2 MARCH 1973.

DEAR MR. PRESIDENT:

THE TALKS FOR WHICH PRIME MINISTER HEATH WAS IN BONN YESTERDAY
 AND TODAY, CENTERED ON THE ALARMING NEW CURRENCY CRISIS WHICH -
 AS YOU KNOW - FORCED THE FEDERAL GOVERNMENT TO CLOSE THE EXCHANGE
 MARKET FOR ANOTHER TIME. WE AGREED THAT WE MUST MAKE EVERY CONCEIV-
 ABLE EFFORT TO FIND A WAY OUT WHICH STRENGTHENS EUROPEAN INTEGRATION.
 AFTER HIS RETURN TO LONDON, THE PRIME MINISTER WILL THOROUGHLY
 EXAMINE WHAT CONTRIBUTION HIS GOVERNMENT CAN MAKE TO A COMMON
 SOLUTION.

I AM CONVINCED THAT A JOINT ACTION REPRESENTS AT THE SAME TIME AN
 ELEMENT OF STABILIZATION IN THE WORLD POLITICAL SITUATION. THIS IS
 TO THE BENEFIT OF ALL MEMBERS OF THE WESTERN WORLD. A WEAKENING OF
 THE COMMUNITY BY SEPARATE ACTION WOULD BE HARMFUL TO ALL.
 MUCH WILL DEPEND NOW ON THE RESULTS OF THE FORTHCOMING MEETING OF
 THE MINISTERIAL COUNCIL OF THE EUROPEAN COMMUNITY. THE FEDERAL
 GOVERNMENT IS PREPARED TO DO EVERYTHING IN ITS POWER IN ORDER TO
 ACHIEVE A POSITIVE RESULT.

YOURS SINCERELY,
 WILLY BRANDT.

UNQUOTE.

2. SIR T. BRIMELOW WITH WHOM I HAVE DISCUSSED THIS AGREES THAT THE
 OVERALL TENOR OF THE MESSAGE SEEN THROUGH AMERICAN EYES MIGHT WELL
 BE REGARDED AS COMMUNITY-CENTRIC AND AROUSED THE WORST SUSPICIONS
 WHICH IT CLEARLY HAS.

CROMER
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T O P S E C R E T

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ECLIPSE

TO FLASH FOREIGN AND COMMONWEALTH OFFICE TELEGRAM NUMBER 356
OF 4 MARCH ⁷⁵ INFO FLASH UKREP BRUSSELS PERSONAL FOR CHANCELLOR
OF THE EXCHEQUER.

MONETARY SITUATION.

PERSONAL FOR ARMSTRONG AT NUMBER 10.

REFERENCE YOUR TELEGRAM NUMBER 586 OF 4 MARCH.

BURNS (WHOM PLEASE PROTECT) TELEPHONED TO REFER TO PRIME MINISTER'S
MESSAGE WHICH HE THOUGHT HAD CALMED MISGIVINGS IN WHITE HOUSE
EXCEPT IN ONE REGARD. IMPORTANCE IS PLACED ON THE FACT THAT SHULTZ
CALLED THE CHANCELLOR AS OPPOSED TO VICE VERSA AND QUOTE THIS DID
NOT DEMONSTRATE DESIRE ON OUR PART TO CONSULT THE U.S. UNQUOTE.
WHILST THIS SEEMS TO BE SEMANTICS, IT DOES DEMONSTRATE SENSITIVITY
OF THE AMERICANS AT THIS JUNCTURE AND THE IMPORTANCE THAT WILL BE
PLACED ON CHANCELLOR QUOTE CONSULTING UNQUOTE WITH SHULTZ AT EARLIEST
OCCASION AFTER CLOSE OF BRUSSELS MEETINGS. IT IS IMPORTANT THAT THE
INITIATIVE COME FROM US.

2. WHITE HOUSE ARE SENDING ME BY HAND ON THEIR VOLITION TEXT OF
CHANCELLOR BRANDT'S MESSAGE TO PRESIDENT NIXON. I WILL SEND THIS
FLASH AS SOON AS RECEIVED.

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[REPEATED AS REQUESTED]

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WASHINGTON TO FCO 853 OF 4 MARCH

MONETARY SITUATION

SDNE EGASSEM

DNALGNE N,

SUNDAY 4 MARCH

MESSAGE NO 1

MR ARMSTRONG FROM DUTY CLERK

TOP SECRET

LATE LAST NIGHT I RECEIVED THE FOLLOWING TWO TELEGRAMS FROM WASHINGTON RELATING TO THE PRESIDENTS MESSAGE TO THE PM. BOTH WERE ADDRESSED PERSONALLY TO YOU:

WASHINGTON TO FCO 852 OF 3 MARCH
REF MY TEL 851 (PRESIDENTS MESSAGE)

ON RECEIPT OF THIS COMMUNICATION I HAD A WORD ON TELEPHONE WITH SHULTZ WHO CONFIRMED THAT US FEARED SOME UNILATERAL EUROPEAN ACTION DAMAGING TO US INTERESTS BUT WAS UNWILLING TO SAY WHAT IT WAS.

2. AT THE RIGHT TIME I WOULD WELCOME ANY BRIEFING I MAY NEED TO COPE WITH MY CLIENTS.
PLEASE PASS ADVANCE TO SIR DOUGLAS ALLEN OR DEREK MITHCELL AT TREASURY.

CROMER

WASHINGTON TO FCO 853 OF 4 MARCH

MONETARY SITUATION

CROMER

WASHINGTON TO FCO 853 OF 4 MARCH

MONETARY SITUATION

PLEASE PASS PERSONAL TO ARMSTRONG AT NO 10

I HAVE LEARNED FROM ARTHUR BURNS (WHO PLEASE PROTECT) THAT PRESIDENT NIXON'S LETTER TO THE PRIME MINISTER WAS PROVOKED BY A BOMBASTICALLY ARROGANT MESSAGE TO PRESIDENT NIXON FROM CHANCELLOR BRANDT WHICH GAVE THE IMPRESSION THAT THE AMERICANS WOULD BE INFORMED WHAT HAD BEEN DECIDED IN EUROPE ON THE REFORM OF THE WORLD INTERNATIONAL PAYMENTS SYSTEM AFTER IT WAS ALL SETTLED. UNDERSTANDABLY THE AMERICANS EXPECT TO BE CONSULTED IN TIME TO PROCLAIM THEIR INTERESTS BEFORE ANY PUBLIC ANNOUNCEMENT ON NEW GLOBAL PAYMENTS SCHEMES.

2. THE AMERICANS ARE NATURALLY HYPER-SENSITIVE ON RENEWED WEAKNESS OF DOLLAR IN EXCHANGE MARKETS AND WHILST WELCOMING EUROPEAN SOLIDARITY AND POSSIBILITY OF ONE EUROPEAN VOICE THEY ARE VERY CONCERNED THAT THEY MAY NOT BE CONSULTED. BURNS SAID THAT THEY ARE ANXIOUS TO BE HELPFUL AND CONSTRUCTIVE.

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REGARDING THE LAST PARA OF TELNO 852, ON MR CORLETT'S ADVICE, COPIES HAVE NOT BEEN ADVANCED TO THE TREASURY AS SIR D ALLEN WOULD NOT HAVE BEEN ABLE TO SEE THEM BEFORE LEAVING FOR CHEQUERS. MR CORLETT DID HOWEVER SAY THAT HE WOULD INFORM THE CHANCELLOR OF THE EXISTANCE OF THE MESSAGE. *The Chancellor now has a copy.*

END OF MESSAGE