

FIRST SESSION OF TALKS WITH  
CHANCELLOR SCHMIDT

ANGLO/GERMAN RELATIONS

Welcome. Importance of Anglo/German relationship not only to each of us but to Europe.

EEC

→ The Government's determination to make a success of the Community and to be wholehearted about UK membership.  
|| The Government's determination to strengthen and revitalize the UK economy - outline proposed measures.

But the problems created for us by the CAP and the Community's budgetary arrangements are a major handicap both to the Government's European policy and to its efforts on the economic front.

Determination to seek major adjustments which would in the long term benefit the Community as well as the UK.

DEFENCE

Fully appreciate the importance of the Theatre Nuclear Forces issue.

Invite Chancellor Schmidt's views.  
Suggest we instruct our two Defence Ministers to arrange a special meeting very soon to discuss this problem. ||

/TURKEY

TURKEY

Fully accept importance of keeping Turkey with us in Europe.  
But the Turks must accept the IMF's terms and they must put their house in order.

Subject to this, we would be prepared to make some increase in our contribution to the short term assistance effort /depending on outcome of meeting of officials/.

PLENARY SESSION

How shall we tackle our Plenary session tomorrow?  
Would you be willing to share with us your views on east-west relations?  
What other topics should we discuss?