

RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER
AND THE GERMAN FEDERAL CHANCELLOR AT THE HOTEL BRISTOL,
PARIS, AT 8.20 P.M ON WEDNESDAY, 18 OCTOBER 1972

Present:

Prime Minister	Herr Willy Brandt
Sir Christopher Soames	Frau Katharina Focke
Lord Bridges	Dr. Schilling

The Prime Minister explained the British idea that the President's draft declaration should be followed by a list of more detailed items on which agreement was reached by the Conference. Herr Brandt mentioned that the Germans also had some thoughts about the form which the Communiqué should take, and gave the Prime Minister a copy of the German draft text.

Herr Brandt asked whether President Pompidou had told Mr. Heath what additional points he needed on economic and monetary union. The Prime Minister said that President Pompidou had not seemed to judge it possible to add substantially to the Finance Ministers' recommendations, at the present Conference. Herr Brandt said that Germany was in favour of the monetary fund; he realised that France and Italy might have some reservations. The Prime Minister said that the President had not mentioned these.

The President (the Prime Minister continued) had said, when discussing Regional Policy, that it should be for the benefit of deprived agricultural areas: to which the Prime Minister had added that the needs of the older industrial areas also needed to be taken into account. The President had accepted this, but had stated that he did not wish to see a new large Ministry set up in Brussels. Mr. Heath quite understood this.

The Prime Minister asked what Germany sought to secure by seeking endorsement by the Conference of workers' participation in industrial management. Herr Brandt explained that this was a domestic problem for him. The SPD wished to extend the existing German system, by which workers' representatives participated in the management of firms, to cover international companies as well. He wished to obtain a passage in the Communiqué which he could show to trade unions in the Federal Republic so that they could take up the question again at a later date in their efforts to control European companies. But he wanted a sentence which would not cause Germany's partners difficulty. He thought that he could even live without a mention of the subject in the Communiqué, if it came to the point, as he had already introduced it in the German memorandum on social policy. Frau Focke thought that it would be difficult if this item alone was omitted from the list of detailed points in paragraph 15 of the German text.

Herr Brandt asked what should be said about the United States in the Communiqué. He was sure that there should be some positive mention of the Community's relationship with the Americans; in the German text the words "organic dialogue" were used to describe the trade relationship between the E.E.C. and the U.S.A. The Prime Minister said this caused him no problems.

Herr Brandt thought that the dialogue should be conducted on the Community side by Members of the Council perhaps reinforced by one or two other Ministers. The Prime Minister explained to Herr Brandt his thinking about the need to begin talks next July, and to conclude them by the end of 1975, before the 1976 Presidential elections.

The Prime Minister said that he had told President Pompidou that it would be unwise if the final document gave the Americans the impression that the Community was deliberately extending its influence to the Mediterranean, and even further to countries like the Sudan, by reverse preferences and other similar means. He believed this would cause immense trouble.

Herr Brandt agreed. He saw a distinction between the Community's relations with countries such as Greece and Turkey (which aimed at eventual membership of the Community), Yugoslavia and other States in Southern Europe with whom the Community had trade agreements, and (on the other hand) the broad Community interests in the

Mediterranean as a whole, which arose from the political interest of members of the Community in the area. He had noticed a change in the French attitude since Monsieur Pompidou had become President: General de Gaulle had opposed any external influences in the Maghreb, whereas Monsieur Pompidou had always welcomed the support which Germany could give in this area.

Herr Brandt believed that there was not much enthusiasm for the suggestion made earlier that Governments should appoint Ministers for Europe. He emphasised the need for better permanent machinery to take decisions at Brussels. The decision-making power lay with the Council which could not meet more frequently than once every two or three months: he was looking for a device which would enable decisions to be made at the Council level more often than this. The Permanent Representatives could not meet the need alone. He also deprecated the growing custom of meetings at Council level by the specialist Ministers of Agriculture, Transport, and so on. The issues raised should not be decided by experts, but by the Council proper. He mentioned the existence of similar problems in the Federal Republic, whereby the Ministers of Justice in the Laender had recently presented the Federal Government with an agreed but highly expensive scheme for prison reform, the political implications of which should have been recognised earlier.

The Prime Minister thought that there were two problems here: the existence of groups of specialist Ministers, and the work done by officials on Foreign Ministers' business at a lower level. On the British side we could deal with this either through the Permanent Representatives or the Chancellor of the Duchy of Lancaster. But we did not wish to see a Minister living in Brussels doing the work of the Permanent Representative. Sir Christopher Soames explained that the Foreign and Commonwealth Secretary (or in his absence the Chancellor of the Duchy of Lancaster) would attend the Council.

Herr Brandt said that he would be outspoken about the European Parliament. As he did not believe that agreement could be reached on direct elections at an early date, he thought it would be better to concentrate on giving some more power to the Parliament. He did not think that President Pompidou would be altogether opposed to this. The Prime Minister agreed with this interpretation of the President's attitude. He was sure that this problem would have to be worked out with the participation of Governments. It was hardly possible for members of the European Parliaments acting alone to commit Governments on such an important question. He agreed very much with Herr Brandt's view about an extension of the powers of the European Parliament. Herr Brandt thought the new powers might relate to budgetary

control, and some participation in the legislative process. The Prime Minister accepted this. Parliament might also help in creating a better dialogue between different Community institutions; Frau Focke thought that the junior Ministers could help here.

During a discussion about the new Commissioners, Herr Brandt said that the Federal Government would not make its nominations before the Elections. It was probable that there would be no change of Government in Germany as a result of the Elections, but one could never be sure, and he did not think that it would be right to announce names beforehand. The Prime Minister referred to the expectation that Monsieur Ortoli would become President of the Commission and that the French would wish to carry on with their responsibility for the Yaounde Associates. He assumed that Germany would like the Finance portfolio (Frau Focke assented). The Prime Minister explained that he hoped that Sir Christopher Soames would be given the External Affairs portfolio, and Mr. Thomson responsibility for Regional Policy. We had heard that the Italian Commissioner was expected to remain, in which case it would be difficult to give the agricultural portfolio to one of the smaller countries. Sir Christopher Soames mentioned that the Danes were known to be keen to have responsibility for agriculture.

Herr Brandt said that Germany would not object to that, but saw the difficulties which would arise if Signor Scarascia-Mugnozza remained.

The Prime Minister said that President Pompidou had told him that the Germans could not enter into any new commitment on aid at the present time. Herr Brandt confirmed this: he could not make any new commitments at present. The German Government had decided that aid policies should be reviewed after the elections. Meanwhile Herr Strauss had claimed that the Government was throwing away money on foreign aid projects. For this reason he had to be very careful. He could make statements of principle, but could make no additional commitments on figures.

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