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PERSONAL MESSAGE

RECORD OF TELEPHONE CONVERSATION BETWEEN THE PRIME MINISTER
AND CHANCELLOR BRANDT AT 9.30 PM ON SATURDAY 10 FEBRUARY 1973

P.M. Good evening, Chancellor.

Chancellor Good evening, Prime Minister. I understand that the experts of our banks have been in contact with each other this afternoon in Switzerland.

P.M. I have just had a message that the Governor of the Bank of England is flying back and is coming straight here to Chequers after talking to your people, but I do not know what they discussed.

Chancellor My feeling is that your Governor has explained the great difficulties which would be connected with the solution along the lines that the three discussed yesterday evening.

P.M. I see, yes.

Chancellor We understand all the difficulties. I only wanted you to know that we would not only understand them but if one could find some solution together you should be sure that on our side there will be every possible readiness to help you through the difficulties.

P.M. Yes, I am very grateful for that.

Chancellor This is one explanation. The other one is that our American friend, who was here and who I think was in London later this afternoon, was he?

P.M. Yes, he was. The Chancellor of the Exchequer has just finished talking to him, and the Chancellor is coming down here as well.

Chancellor What he discussed as an alternative we did not discuss with him what was discussed yesterday night. We only pointed to the factor that there was this discussion. We are almost sure that we would not be getting the co-operation of our French neighbours.

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/P.M.

P.M. I see.

Chancellor If we came into a situation that we had to take action alone on Monday or Tuesday, I would be very much afraid that this could mean, not of course an end, but a postponement of our plans for the economic and monetary union in Western Europe for quite some time.

P.M. Yes. I understood that, as the Chancellor has not yet been here, I have only had a message, but I understood that our American friend had put forward proposals which would deal with their aspect and also the Japanese.

Chancellor But the difficulty is, as we see it, that we would not get the French to join.

P.M. I see, yes. I am told he is going to see them tomorrow morning.

Chancellor Yes.

P.M. Well then do you think it would be right to hear what the Chancellor of the Exchequer and the Governor of the Bank of England have to say and then talk to you in the morning.

Chancellor That might be good. I understand that our three colleagues will be in contact with each other around 10 tomorrow morning. So if they came to a conclusion that it would be a good idea to meet again then I think there is no need for us to be in touch or contact. Should they find difficulty in getting together, before anyone says no, I would like very much that we speak together.

P.M. Of course, yes. I'd'ont see any difficulty in their meeting and for our part we are perfectly happy to do so. Well then, I will wait for the Chancellor of the Exchequer and the Governor of the Bank of England to arrive here and we will discuss the different proposals and we will see what our colleagues do in the morning.

Chancellor Thank you very much, Prime Minister.
P.M. Thank you for ringing, Chancellor.

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