

actual figures. He wondered if this sort of approach had our approval.

6 Dr Ossola spoke about the future of sterling in an enlarged Community. Because of the Community's agreement in principle to work towards a unified currency as part of European economic and monetary union, it would not be possible for any particular currency of the Community to be used as a reserve currency. The United Kingdom had recognised this. There were now two questions. First, would the enlarged Community have a reserve currency of its own? Some people thought it should not; and certainly it was not a matter for the issuing authorities to decide. The second question was whether it would be in the interests of the enlarged Community that the ex members of the sterling area should gravitate round European economic and monetary union. Dr Ossola thought the answer to both questions should be yes. There were two ways of dealing with the future of the sterling balances: either they could be taken over by the world monetary community, perhaps against an issue of SDRs; or else they could be used as the foundation of The European Reserve Fund.

7 Signor Donbassei said that the Italian delegation in Brussels were very conscious of the needs of the timetable. No progress had been made at the latest meeting of the Six over sugar or New Zealand. The Italian view was that it was important to think of the needs of the enlarged Community as a whole. One could not determine now precisely what decisions the enlarged Community might make in a few years time. As for the British contribution to the budget the need was to find a formula which would enable Britain to start from a plausible figure; thereafter the progression should be parabolic not linear.

8 Mr Rippon expressed gratitude for these views. We fully recognised how hard the Italian delegation had been working to achieve reasonable and practical solutions. He happily gave a general blessing to the ideas which had been expressed at this meeting: in particular, he agreed with what had been said about sterling.

9 Sir C O'Neill said that all the major problems -

New Zealand/

New Zealand dairy products, sugar, our contribution to the budget - were essentially agricultural; and since we had already accepted the common agricultural policy they should not be too difficult to solve. We had six weeks before the Ministerial meeting in May and we must use that time to the best advantage. If the Community was able to make progress on any particular issue, then he hoped it would report it to a meeting of the Deputies rather than keep an account of it in reserve for the Ministerial meeting. He had been interested to hear what Signors Guazzaroni and Bombassei had said about the Community developing a common attitude to the question of finance. It was right that the Community should now make counter proposals - even though for the time being these might only be confined to principles. On the whole, we would find it fairly easy to accept the principles now under discussion among the Six. A parabola was all right so long as it did not go too high in the fifth year. Full use should also be made of the three year period of correctives. It should not be used solely as a means of rectifying any mistake made in assessing the level of our contribution for the definitive stage. Nor did we necessarily want to rule out some jump at the end.

10 Sir C O'Neill said that we must also make progress with the other questions. Capital movements was one: there were Community directives about this to which we would need to conform. (And this question should be distinguished from the general issues of the reserve role of sterling and the sterling balances.) Then there were the European Investment Bank, tariff quotas and agricultural transition. On this last point we hoped the Community would soon have new material to give us. While it was important that we should make progress in these next six weeks, it was more important still that the Community should not make bad proposals to us. Haruel had spoken of the "general balance of mutual advantage": if we stuck to that concept all problems were solvable.

11 Signor Moro turned to the question of the political development of the Community. The Community was now active in many fields - economic and monetary union, social questions, nuclear energy and others. But the political element was still lacking.

Italy/

Italy knew from the Anglo-Italian declaration of 1960 that the United Kingdom shared her views about the need for developments in this direction. This was also important in the defence sector. Europe needed the American alliance; but at the same time it must take up its own responsibilities in that alliance and play a more authoritative role. The unity of Europe was a vital factor not only for world equilibrium, but also for equilibrium within Europe. As far as institutions were concerned, the French had recently made some rather vague suggestions, and these were now under discussion. But no conclusions could be reached without Britain. The present arrangements for political consultations among the Ten were cumbersome; but Signor Moro thought they had operated fairly successfully.

12 Mr Rippon said that he was glad that Signor Moro had ended on a political note. It put matters in the right perspective. Compared with the creation of a wider West European Community, the problems of the transitional period seemed very small indeed. The whole foundation of the West European Alliance was contained in the Brussels Treaty, and in its three elements - military, economic and political co-operation. The Alliance needed all three elements. The purpose of British policy was to build up co-operation over the whole field. It was important that Europe should have its own influence and its own capabilities. This did not mean any sort of attack on the North Atlantic Alliance. Europe simply had to play her proper part. It was therefore essential to emphasise that our objectives were political ones. We had re-affirmed that Anglo-Italian declaration; and recently Mr Heath had spoken of the possibility of developing new institutions for new purposes. The Community, as we saw it, would not be a static creation. It would develop - for example in the social field, in education, in regional policy (and here we looked forward to full use being made of Articles 92 and 94). We were also interested in seeing a Community approach to such questions as housing, town planning and the environment. Whether at the end of the day we ended up with a confederation or a federation was something we need not concern ourselves with at present. Our approach should be realistic, step-by-step, to bring about a

truly/

CONFIDENTIAL

truly integrated Western Europe. We should also link with it, as full members or as associate members, all those other countries that belonged to the European family.

DISTRIBUTION

Private Secretary

Mr Daunt

Mr Logan

Sir C O'Neill

Sir T Brimelow

Mr Bottomley

Mr Ford

Mr Statham

Mr Robinson

Mr Cradock

Mr Drinkall

Mr Leahy

Mr Burges-Watson

Sir W Nield

Mr Thornton

Mr Bell

Mr Denman

Mr Kearns

Mr Shovelton

Mr Moon

HM Representatives:

Bonn

Brussels

Luxembourg

Rome

Paris

The Hague

Washington

UKDEL Brussels

RECORD OF PRIVATE MEETING BETWEEN
THE CHANCELLOR OF THE DUCHY OF LANCASTER
AND THE ITALIAN FOREIGN MINISTER

THE FARNESINA, ROME: 29 MARCH 1971 at 1140 hrs

The Rt. Hon Geoffrey Rippon QC MP	Signor Moro
HE Sir Patrick Hancock	HE Signor Manzini
Mr. Tickell	Interpreter

Signor Moro asked about the state of British public opinion with regard to the EEC negotiations. In Brussels people were often pessimistic about it, and this affected their attitudes. He was not inclined to worry unduly about the present French position. The French were inveterate negotiators.

2. Mr. Rippon said that British public opinion used to be in favour but the effect of two vetoes and ten years of frustration had been to make people hesitant and sceptical. This would probably continue until there was a fair prospect of success. The Government and the European Movement had now launched campaigns of information about Europe which he hoped would bear good results. In his own statements he had tried to keep the temperature down, but the fact of the matter was that the March Ministerial meeting had been disappointing and the latest French performance on sterling was hardly helpful. It was unthinkable /that the

that the forthcoming Ministerial meeting in May should not make some progress.

3. Signor Moro congratulated Mr. Rippon on the firmness and flexibility with which he was conducting the negotiations. He had a high respect for the British Government's European resolution in view of the state of its public opinion. He had hoped for an agreement on sugar on 16 March but the French had blocked this for their own negotiating purposes. He did not believe that the French were working towards a new veto, but were simply negotiating in their usual way. He was sure that all would come right in the end: the consequences of failure would be very serious for everyone. Mr. Rippon said that we had accepted the principles which everyone had described to us as fundamental, the Treaty of Rome, the common agricultural policy, the Community's direct incomes system, etc. There now remained a few narrow issues. We had to have good settlements on New Zealand dairy products and sugar from the developing Commonwealth countries, and we had to settle the British contribution to the Community budget during the transitional period, and the application of Community preference. We awaited the Community's proposals on finance as promised to us on 2 February.

4. Signor Moro said that in the light of all that the British had accepted, it was very hard to think that the negotiations could fail. If we had behaved differently they would have been greatly prolonged and much more
/hazardous.

hazardous. Mr. Rippon said he could not overestimate the importance of reasonable settlements of New Zealand dairy products and sugar. As regards New Zealand we simply could not accept that access for New Zealand dairy products should end with the transitional period. We had to have an arrangement which, while it might not last for ever, was continuous and subject to review. Evidence of sympathy for New Zealand was essential. The problem of sugar was less serious. It could be solved even if the French did start such hares as groundnuts. As regards the British contribution to Community finance, it was important to stop worrying about the figure for the first year. Perhaps our contribution in the second year, which would come very soon, would be more important.

At that point the Ministers left to join the plenary meeting

/Distribution

CONFIDENTIAL

DISTRIBUTION

Private Secretary

Mr. Daunt

Mr. Logan

Sir C. O'Neill

Sir T. Brimelow

Mr. Bottomley

Mr. Ford

Mr. Statham

Mr. Robinson

Mr. Cradock

Mr. Drinkall

Mr. Leahy

Mr. Purges-Watson

Sir W. Nield

Mr. Thornton

Mr. Bell

Mr. Denman

Mr. Kearns

Mr. Shovelton

Mr. Moon

HM Representatives;

Bonn

Brussels

Luxembourg

Rome

Paris

The Hague

Washington

UKDEL Brussels

CONFIDENTIAL

RECORD OF CONVERSATION BETWEEN
THE CHANCELLOR OF THE DUCHY OF LANCASTER
AND THE ITALIAN PRIME MINISTER
PALAZZO CHIGI, ROME 29 MARCH, 1971 at 10 00 hrs

The Rt Hon Geoffrey Rippon
 QC, MP
 HE Sir Patrick Hancock KCMB
 Sir C O'Neill
 Mr Tickell

Signor Colombo
 HE Signor Manzini
 Signor Guazzaroni
 Signor Bottai
 (Interpreter)

1 Signor Colombo asked how things were generally in Britain. Was the internal situation calmer? Mr Rippon said that things often looked worse abroad than they really were. The Government had stuck firmly to its intention to pass the Industrial Relations Bill, and was already getting results in its efforts to restrain inflation. As for public attitudes towards the current negotiations for enlargement of the Community, people were affected by two vetoes and ten years of frustrated delay. Both the Government and the European Movement had now launched campaigns to improve public understanding about Europe. But profound changes in public feeling were unlikely before real success was achieved. Hence the importance of the next Ministerial meeting in May. No-one could afford this meeting to end as unrewardingly as the last one.

2 Signor Colombo said that in spite of the difficulties the general feeling among the Six was much better than in the past. The Italian Government remained firmly optimistic. The negotiations in Brussels seemed to have reached a point of stalemate. The question was who made the next move. Mr Rippon replied that the British had made proposals on the three main problems - British contributions to the Community budget during the transitional period, New Zealand dairy products and sugar from the developing Commonwealth - and awaited the Community's replies. Hitherto we had preferred the Community not to agree on positions which we knew/

knew in advance would be unacceptable, but time was going by and we had to make progress in May. So far it was Britain who had made all the moves: we had accepted the Treaty of Rome, we had accepted the common agricultural policy, and we had accepted the direct income system. It would be absurd if we could not reach agreement on the few issues on which we were actually negotiating.

3 Signor Colombo said that the major difficulty was over finance. Mr Rippon said that the problem was essentially transitional. The British had to start low in order to mitigate the immediate impact and avoid an excessive burden which could damage the Community as well as Britain. We had to keep a balance of mutual advantage. Signor Colombo said that he had recently heard French and German views on the subject. The French thought our opening bid of 3% ridiculous. This was a typical French attitude and should not be taken too seriously. Chancellor Brandt and he had agreed that the French view that our proposals were not even worth discussing was insincere. Certainly the British proposals were a basis for discussion. Mr Rippon said that he found this sort of argument worrying and indeed silly in view of the size of the issues at stake. Signor Colombo agreed. He asked what we thought were the Commission's proposals in this respect. Mr Rippon said that the first was no good at all but the second was better. If we had been negotiating with the Italian Government, whose sympathy and support we greatly appreciated, the negotiations would have been concluded long ago. Signor Colombo agreed. Mr Rippon said that the actual sums in question were tiny for the Community but important for Britain. The longer we went on disagreeing publicly about this, the more lasting damage would be done if we did not reach a settlement.

4 Signor Colombo said he realised the financial burden which membership of the Community would impose upon Britain. The present state of indecision must also have bad effects. He was sure that British entry would greatly help the British economy. It would also help the Community. Mr Rippon said that the Prime Minister and his Government had no doubts about the advantages of joining the Community and were committed to the European cause. But he must repeat that so far it was Britain who had made all the moves.

The Community/

The Community now had to come towards us on the questions which were of paramount political importance to Britain, in particular New Zealand dairy products and Commonwealth sugar. Signor Colombo agreed. He did not think New Zealand would turn out to be a very great problem. In the ten years of the Community's experience, he had seen greater problems resolved and had no doubt this one would be too.

5 Mr Rippon said the Italian Government would greatly help if they could urge the need for substantial progress in May. Time had been set aside for it, and we could not simply sit and look at each other. We had to work out a settlement between friends and allies and not behave as if Britain had to sign some sort of peace treaty. Signor Colombo said that the Italian Government certainly did not see the ultimate agreement as a peace treaty. The general problems of principle underlying the negotiations had already been surmounted, as Mr Rippon himself had well said. The principal remaining obstacle was the transitional arrangements for finance, and the deadlock between the parties over percentages. Both now had to prevent this becoming a sort of gangrene, which could infect other questions and make a settlement impossible. It was very unwise to speak of a break-point in a negotiation of this kind. For their part the Italians would do all that they possibly could to persuade their partners to arrive quickly at a reasonable solution.

6 Signor Colombo said that he would now say what no-one dared say. He would be indiscreet. The common agricultural policy could not go on for two reasons: first because it was using up far too much of the Community's internal resources; and secondly because if adaptations were not made to it there was a serious risk of it causing trade war which would affect Community commerce as a whole, in particular with the United States. This was one of the unsaid reasons for Italian support of British entry into the Community which would lead to dynamic possibilities for the Community as well as for Britain. He thought in the long run the British share of the total budget would not be disproportionate.

7 Mr Rippon said we had not asked for changes to the common agricultural/

agricultural policy because we realised that, in Mr Harold Wilson's words, it was not negotiable. What was important for us was the shape and size of the final budget. The Commission had said that our receipts might work out nearer to 15% than 5%. He hoped the Commission were right. He also hoped that we would soon be able to make progress on Community finance when the Community followed up its promise of 2 February with positive proposals. It was important that the Community's ideas should be conveyed to us well ahead of the next Ministerial meeting to give us time to think about them. Above all the parties to the negotiations should not continue to haggle over the price of a carpet which would eventually belong to all of them.

8 Signor Colombo referred to the future of sterling, and the prospects for European economic and monetary union. Mr Rippon said that the position of the present Government was the same as that of the last. We were ready to go as far and as fast as the Community towards economic and monetary union. We welcomed the principles of the Werner plan and accepted that with membership we should inevitably move away from our present arrangements. Successive Chancellors of the Exchequer had made it clear that they were not necessarily attached to the present reserve role of sterling. The problem of the sterling balances was essentially practical. We were ready to discuss these matters but not in the Brussels market place. Meetings should take place somewhere else and be tightly restricted: perhaps they should be attended by Finance Ministers and Governors of Central Banks. The Community should not forget that whatever our own views might be, we had to respect the existing holders of sterling.

9 Signor Colombo agreed that Brussels was not the right place for such discussions. We had to go very carefully. He remembered a critical moment in the last negotiations at 5 am on 3 August 1962 when he had said to M Couve de Murville that surely the wit of man could find an answer to the problems then under discussion. M Couve had replied with his usual gloom that behind those negotiations lay the monetary problem and the role of the £ sterling. Signor Colombo said that at least this skeleton was now/

now out of the cupboard. As he saw it the problem had two aspects. There was no denying that the existence of the sterling balances could be a problem to the Community once Britain was a member. It would be in everyone's interests, including Britain's, if these balances could be reduced or eliminated. The second aspect was the reserve role of sterling. He thought this should not be dealt with now but reserved for a later stage.

10 Mr Rippon said he was not unduly worried by the fact that the French had raised the problem, but the manner of their doing so and the place they had chosen were unfortunate. He himself would not go so far as Mr Harold Lever who had said that the sterling balances should be eliminated altogether. Suggestions on the funding of these balances or the creation of European Special Drawing Rights might well be discussed but only in the proper form and not in the negotiations in Brussels. The problem had to be handled extremely carefully and discreetly. Already people in England were suggesting that M Boegner's statement amounted to a new but indirect French veto. Signor Colombo said that the problems were delicate and technical and should be dealt with accordingly. Ministers of Finance and Governors of Central Banks were used to keeping their mouths shut and working out practical answers to problems of this kind. Mr Rippon said that Signor Colombo's own experience would be of the greatest help. Signor Colombo said that the Italians had some ideas which they would put forward at the right place and time.

11 Signor Colombo said he was greatly looking forward to his visit to London at the end of June. He hoped that by then all the problems he and Mr Rippon had been discussing would be on the way to solution, if not solved. He would take the opportunity to discuss the whole range of problems with Chancellor Brandt, Herr Scheel and Herr Schiller when he saw them next week. Mr Rippon expressed his gratitude to Signor Colombo and his Government for the help they had given and would give in the negotiations. He also expressed appreciation of the role played by Signor Malfatti, the President of the European Commission.

DISTRIBUTION

Private Secretary

Mr Daunt

Mr Logan

Sir C O'Neill

Sir T Brimelow

Mr Bottomley

Mr Ford

Mr Statham

Mr Robinson

Mr Craddock

Mr Drinkall

Mr Leahy

Mr Burges-Watson

Sir W Hield

Mr Thornton

Mr Bell

Mr Dennen

Mr Kearns

Mr Sevelton

Mr Moon

HM Representatives:

Bonn

Brussels

Luxembourg

Rome

Paris

The Hague

Washington

UKDEL Brussels

RA:

I don't know

beforehand any statements

or reactions by the PCO

in the December 1965

Stirling question in the

European negotiations

A²³

File B
cc. Mr. Nathan

29 March 1971

The Prime Minister wishes to be consulted in advance about any statements or reactions by the Foreign and Commonwealth Office or by the Treasury on the question of sterling and the European negotiations.

I am sending a copy of this letter to Ryrie (H.M. Treasury).

(sgd) R. T. Armstrong.

J. A. N. Graham, Esq.,
Foreign and Commonwealth Office.

SECRET

19 cc
fio
Tng
co.
DEN

29 March 1971

E.E.C. Negotiations

The Prime Minister has seen Mr. Rippon's minute of 26 March about the French move on sterling at the E.E.C. Permanent Representatives' meeting in Brussels on 18 March.

With regard to what is said in paragraph 4 of that minute to the effect that any other issues which the French raise over sterling (i.e. those not of direct concern to the negotiations) should be discussed separately in more discreet fashion and if necessary elsewhere, the Prime Minister has noted that he agrees. More broadly, the Prime Minister has commented that we cannot be certain about French motives.

I am sending copies of this letter to Barrington (Foreign and Commonwealth Office), Ryle (H.M. Treasury) and Sir William Nield (Cabinet Office).

(SGD) P.J.S. MOON

C.C.C. Tickell, Esq., M.V.O.,
Office of the Chancellor of the Duchy of
Lancaster.

SECRET

SECRET

18

29 March 1971

The Prime Minister discussed the question of a meeting with President Pompidou with the Foreign and Commonwealth Secretary and Mr. Soames this afternoon, 29 March.

Mr. Soames explained that President Pompidou was now thinking in terms of a May meeting. He thought this was related to our own target of completing the major part of the negotiations by the summer. President Pompidou wished to handle this himself. Mr. Soames was sure that he would rather see the negotiations succeed than fail. His doubts were on two points; whether President Pompidou had the right temperament - he had never known him jump a big fence yet; and secondly the problem of New Zealand dairy products. Mr. Soames could see no purpose in President Pompidou wanting a meeting only to have it fail.

A number of points were made in discussion. Without allowing there to be a breakdown in his talks with the Prime Minister President Pompidou could simply conclude them on the basis that there was a need for further discussion. If it was known that the Prime Minister and the President were going to meet at the end of May this would hold up progress at the meetings with the Six in May. If there was no progress in the meetings with the Six, there was a danger that the meeting with President Pompidou would take place in a crisis atmosphere.

SECRET

SECRET

- 2 -

It was important to avoid this. There were two ways in which this might be done; the May meetings with the Six could be used for settlement of some of the minor items; or for some "loosening" of all or most of the items. The latter seemed the better course. Our agreement to a meeting between President Pompidou and the Prime Minister should be conditional on the French agreeing to handle the May meetings with the Six so as to avoid an atmosphere of crisis.

It was agreed that the question of the Prime Minister meeting with President Pompidou would need careful handling in the discussions with Herr Brandt. There was bound to be discussion with Herr Brandt of the programme for the negotiations, but there would be no need for the Prime Minister to reveal how far we had taken our thinking. Mr. Soames would wish to warn the French in advance of what we were going to say to Herr Brandt.

At the close of the meeting it was left that a draft telegram of instructions to Mr. Soames would be prepared for final consideration by the Prime Minister after Mr. Rippon's return to London, with a view to Mr. Soames being able to speak farther to M. Jobert by the end of the week.

I am sending copies of this letter to Tickell and to Sir William Field (Cabinet Office).

(SGD) P. J. S. MOON
N. J. Barrington, Esq.,
Foreign and Commonwealth Office.

SECRET

17
Personal to PM

PA/FO 004/27

00 F C O

GPS 787

CYPHER CAT A

FM PARIS 271515Z

D E D I P

S E C R E T

TO IMMEDIATE F C O TELNO 374 OF 27 MARCH 1971.

SECRET

ADVANCE COPY	
SENT TO	P.S.
(2)	Ng 10 DS
	Rc

PRISEC

PERSONAL FOR SECRETARY OF STATE (COPY PERSONAL FOR PRIME MINISTER)

I CALLED ON THE SECRETARY-GENERAL AT THE ELYSEE ON 27 MARCH. I LED OFF BY REMARKING TO JOBERT THAT THE LAST MINISTERIAL MEETING DID NOT GET VERY FAR, TO WHICH HE REPLIED "WELL, WE DID NOT EXPECT IT TO, DID WE?" I SAID IT WAS NEVERTHELESS IMPORTANT THAT THE IMPRESSION SHOULD SOON BE GIVEN OF MOVEMENT AND GOOD FAITH RATHER THAN OF STAGNATION AND BITTERNESS: HOW DID HE SEE THINGS GOING BETWEEN NOW AND THE NEXT MINISTERIAL MEETING AND IN PARTICULAR WHAT DID HE SEE BEING RESOLVED THEN.

2. JOBERT REPLIED THAT THE VITAL MEETING WOULD BE THE TALK BETWEEN THE PRESIDENT AND THE PRIME MINISTER. I ASKED WHAT THE PRESIDENT'S THOUGHTS WERE AS TO THE TIMING OF THIS: JOBERT SAID THAT THE PRESIDENT'S CHOICE WAS THE END OF MAY BUT THAT HE WANTED TO UNDERLINE HOW IMPERITIVE IT WAS TO KEEP THIS SECRET.

3. I ASKED JOBERT WHAT HE THOUGHT WOULD HAPPEN BETWEEN NOW AND THE END OF MAY AND HE SAID THIS DEPENDED VERY MUCH ON WHAT THE PRIME MINISTER AND M. POMPIDOU THOUGHT OUGHT TO BE KEPT FOR DECISION BY THEMSELVES. THE PRESIDENT'S VIEW WAS THAT ALL THE MAIN SUBJECTS WERE ALREADY PRETTY WELL RIPE FOR DISCUSSION BY THEN AND IT WAS IMPORTANT NOT TO REMOVE TOO MANY LEAVES OF THE ARTICHOKE BEFORE THEIR TALK TOOK PLACE. HE THOUGHT THAT IN THE MAY MINISTERIAL MEETING AGREEMENT COULD BE REACHED ON THE PRINCIPLES WHICH WOULD GOVERN THE FIXING OF OUR CONTRIBUTION TO COMMUNITY FINANCE AND ALSO THAT THE COMMUNITY PREFERENCE PROBLEM COULD PROBABLY BE RESOLVED.

~~THAT THE COMMUNITY PREFERENCE PROBLEM COULD PROBABLY BE RESOLVED.~~
REPLIED THAT THE FIRST WAS A NATURAL, BUT WHERE THE SECOND WAS
CONCERNED I WAS NOT SURE THAT THIS WAS ALL THAT EASY FOR US. MR.
HEATH MIGHT THINK THAT THIS WAS SOMETHING FOR HIM AND THE PRESIDENT
TO FINALISE. I SAID SURELY SUGAR COULD BE RESOLVED IN BRUSSELS.
JOBERT SAID THAT NO, HE THOUGHT IT WAS BETTER TO LEAVE THAT FOR THE
SUMMIT TALK. (I PRESUME THAT M. POMPIDOU IS PREPARED TO BE MORE
LENIENT ON SUGAR THAN ON BUTTER AND THAT HE WANTS TO KEEP THE TWO
TOGETHER AS A PACKAGE.)

4. I ASKED WHETHER THE PRESIDENT HAD CONSIDERED HAVING THE TALK
BEFORE THE MAIN MINISTERIAL MEETING IN BRUSSELS. JOBERT REPLIED
THAT THIS WAS AN ALTERNATIVE BUT THEY THOUGHT IT LESS ADVANTAGE-
OUS. AS HE SAW IT, WE WANTED A PRETTY COMPLETE PACKAGE BEFORE THE
END OF JUNE. IF THE PRIME MINISTER AND PRESIDENT MET AS EARLY AS
APRIL, THERE WOULD BE TWO MONTHS LEFT DURING WHICH OFFICIALS WOULD
TRY TO RE-OPEN MATTERS WHICH HAD BEEN DECIDED IN PARIS AND THIS WAS
A DANGER WHICH SHOULD NOT BE RUN. THE BEST SOLUTION IN HIS VIEW WAS
TO HAVE A MEETING MORE OR LESS AS LATE AS POSSIBLE AND HE JOBERT TOOK
IT AS READ THAT ONCE THEY MET, THEY WERE QUOTE CONDEMNED TO SUCCEED
UNQUOTE. THERE COULD THEN BE WHATEVER MINISTERIAL MEETINGS WERE
NECESSARY IN BRUSSELS IN JUNE TO PUT THE SEAL ON WHAT HAD BEEN
AGREED IN PARIS.

5. I SAID THAT I THOUGHT IT WOULD BE NECESSARY TO HAVE TWO DAYS OF
MEETINGS AND JOBERT AGREED. I ADDED THAT I THOUGHT THE PRIME
MINISTER WOULD LIKE TO TAKE ADVANTAGE OF THE MEETING TO RAISE SOME
WIDER TOPICS OF WORLD AFFAIRS WITH THE PRESIDENT AND THAT I THOUGHT
HE ENVISAGED IT AS BEING MORE THAN JUST A HAGGLE OVER DETAIL. JOBERT
REPLIED THAT HE KNEW THE PRESIDENT WOULD WELCOME THIS. WE AGREED
THAT I SHOULD NOW TAKE THE PRIME MINISTER'S MIND ON (A) THE TIMING OF
HIS MEETING WITH THE PRESIDENT AND (B) THE AMOUNT OF PROGRESS HE
WOULD LIKE TO SEE IN BRUSSELS IN ADVANCE OF THEIR MEETING (SHOULD
HE AGREE THAT THE END OF MAY BE RIGHT).

6. I ASKED JOBERT HOW HE SAW PROGRESS BEING MADE ON MATTERS
AFFECTING STERLING WHICH THE FRENCH GOVERNMENT HAD NOW RAISED. HE
CONFIRMED THAT M. GISCARD WOULD BE GOING TO BRUSSELS ON 30 MARCH
TO GIVE THE EXPOSE OF FRENCH THOUGHT ON ALL THIS. HE PRESUMED THE
PRIME MINISTER AND PRESIDENT WOULD WANT TO TALK ABOUT IT. I SAID
THAT WAS ALL VERY FINE AND LARGE AND I WAS SURE THEY WOULD. BUT
WOULD NOT SOME WORK NEED TO BE DONE ON IT BETWEEN THE END OF MARCH
AND THE END OF MAY? M. SCHUMANN HAD TOLD ME THAT HE FORESAW SOME
~~PRIVATE DISCUSSIONS AMONG MINISTRIES OF FINANCE OF THE SIX DURING~~

PRIVATE DISCUSSIONS AMONG MINISTRIES OF FINANCE OF THE SIX DURING THE MONTH OF APRIL AND THAT THEIR FINANCE MINISTERS WOULD DISCUSS IT AGAIN WHEN THEY MET AT HAMBURG AT THE END OF APRIL. JOBERT REPLIED THAT YES, HE SUPPOSED THIS WAS WHAT PROBABLY WOULD HAPPEN. I SAID THAT THERE WERE NOT MANY PEOPLE IN BRITAIN WHO KNEW THE FULL RAMIFICATIONS OF THE PROBLEMS OF THE STERLING AREA, LET ALONE ON THE CONTINENT. PERHAPS IT WOULD BE A GOOD IDEA IF SOME PRIVATE DISCUSSIONS TOOK PLACE WITH US ALSO DURING APRIL. JOBERT REPLIED THAT THAT SEEMED VERY SENSIBLE. HE IMAGINED ANYWAY THAT THE FRUITS OF THE DISCUSSIONS AMONG THE SIX WOULD BE DISCUSSED WITH US IN BRUSSELS AT THE MAY MINISTERIAL MEETING. HE AGREED, HOWEVER, THAT IT WOULD BE LUDICROUS TO ENVISAGE ANY TALKS OF A SENSITIVE NATURE TAKING PLACE IN BRUSSELS.

7. AS I GOT UP TO LEAVE. JOBERT REPEATED TWO POINTS TO ME: FIRSTLY THAT THERE WAS NO DOUBT IN HIS OR THE PRESIDENT'S MIND THAT WHEN THE MEETING WITH THE PRIME MINISTER TOOK PLACE, IT WAS IMPERATIVE THAT IT SHOULD SUCCEED: AND SECONDLY QUOTE TOO MANY LEAVES SHOULD NOT BE REMOVED FROM THE ARTICHOKE BEFORE THESE TALKS UNQUOTE.

SOAMES

SENT AT 27/1642Z SHF

RECD AT 27/1642Z MEG

IMMEDIATE
CYPHER CAT A

S E C R E T

COPY NO ...

FM ROME 272030Z

SECRET

DEDIP

TO IMMEDIATE FCO TELNO. 218 OF 27 MARCH 1971.

FOLLOWING FOR BARRINGTON FROM TICKELL.

YOU WILL BY NOW HAVE SEEN MR. SOAMES'S REPORT ON HIS TALK WITH JOBERT THIS MORNING. JOBERT THEN INDICATED PRESIDENT POMPIDOU'S INTEREST IN A MEETING WITH THE PRIME MINISTER IN LATE MAY.

2. IN DISCUSSION WITH MR. SOAMES, MR. RIPPON EXPLAINED OUR PREFERENCE FOR AN APRIL DATE, AND SAID HE THOUGHT WE SHOULD GO BACK TO THE FRENCH ON THIS. IF HOWEVER THE FRENCH WERE TO INSIST ON LATE MAY, MR. RIPPON THOUGHT WE MIGHT CONSIDER ACCEPTING ON CONDITION .

(A) THAT THE FRENCH AGREED THAT THERE SHOULD BE VISIBLE AND SUBSTANTIAL PROGRESS , I.E. AGREEMENT ON SOMETHING WORTH WHILE, AT THE MAY MINISTERIAL MEETING IN BRUSSELS SEMICOLON AND

(B) THAT THERE WAS NO ANNOUNCEMENT OF A MEETING BETWEEN POMPIDOU AND THE PRIME MINISTER UNTIL AFTER THE MAY

MINISTERIAL MEETING HAD TAKEN PLACE.

MR. SOAMES THOUGHT THIS A GOOD WORKING HYPOTHESIS AND WILL PRESUMABLY REFER TO IT AT HIS MEETINGS WITH THE SECRETARY OF STATE AND PRIME MINISTER ON 29 MARCH. HIS OWN VIEW WAS THAT POMPIDOU, FOR A VARIETY OF REASONS WHICH HE WILL EXPLAIN , WOULD ONLY AGREE TO A WORTHWHILE MEETING WITH THE PRIME MINISTER IN LATE MAY.

PLEASE PASS TO ROBINSON AND PAKENHAM.

HANCOCK

/COPIES SENT TO MR ROBINSON AND ASST PS TO MR RIPPON/

P R I S E C

NNNN

S E C R E T

PART 5 begins:-

Rome to FCO Tel No. 218 - 27.3.71

PART 4 ends:-

G. Rippon to P.M. 26.3.71.