July 07, 1972
Letter by Federal Chancellor, Brandt to the President of the United States of America, Nixon 7 July 1972

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Summary:
Letter written by Brandt to President Nixon on economic affairs. Brandt explains why common currency would work for Europe and why the States' cooperation is needed. The letter also includes a part on Moscow's viewpoint for the currency issue.

Original Language:
German

Contents:
• English Translation
Dear Mr. President,

I have postponed until today my reply to your letter of 9 June, for which I thank you cordially, because I wanted to describe to you as well my impressions of my recent discussions with President Pompidou.

As I had the opportunity to explain to your new Ambassador, Mr. Hillenbrand, during his inaugural visit yesterday, this meeting went very well, although this fact was unfortunately not expressed adequately enough in public reports. The French President and I, as well as the members of our governments who took part, acknowledged that since last year a noteworthy rapprochement has occurred in our viewpoints on the currency issues of the day. We were in agreement that we must do everything to defend the parities set last December in Washington and that there can no longer be any question of go-it-alone currency policies in the [European] Community. We also agreed that the Community must work out common positions for the task which lies before us of reforming the international currency system.

In addition, I was able to observe repeatedly during our consultations that the French President has made it his particular concern to dispel the impression that he wanted to lead the Community into a dispute with the United States of America. In this context, for example, he explained to me that his still valid reservations toward the MBFR were based in no way on a desire to derogate the American presence in Europe. While consulting with me on the possibility of a concerted floating of the community's currencies, he placed special emphasis on the statement that the disadvantage of this
model lay in the danger of a divide in currency policies between the joint currency zone and the dollar zone. We agreed to conduct consultations, bilaterally as well as [also] multilaterally, on possible steps to be taken in currency policy. In doing so, as in the past, we will keep the American government well informed.

During these talks, as you will see, we were in agreement that the summit conference of the expanded Community at the designated point in time is not only desirable but also possible, although working out a realistic and promising agenda by the foreign ministers of participating nations will still take some time.\(^7\) The main result of this conference should be material progress in the individual areas of joint actions, including foreign policy, so that work towards Western European unity receives a new, powerful impulse. I know how much you in particular are interested in such progress.

I restated the viewpoint to President Pompidou that devising a common position on the respective issues should not be a precondition for trustful, regular exchange of ideas with the American government as our principal ally, but rather a permanent necessity for integrating our viewpoints should lie at the heart of such a continuing dialogue.

Again as before I have found complete support within the French government for the Federal Republic’s policy initiatives toward the East, especially our endeavours to regularize our fundamental relations with the GDR.

Let me assure you how valuable your information and personal impressions of your discussions in Moscow have been to me.\(^8\)

I have gathered from the information conveyed to me by General Secretary Brezhnev that you two were also able to establish a good personal relationship. I have always been of the opinion that it is of crucial importance for international developments that a relationship between the USA and the Soviet Union be established which limits confrontations and makes hitherto unsolved problems solvable.

Indeed, essential contacts between East and West require close and trustful cooperation between us. Whenever the possibility presents itself, the Soviet side will not hesitate to generate and exploit differing positions in the West.

A first step could be the result of the GDR confirming Moscow’s impression that it is essentially the fault of the Federal Republic if both Germanys are not immediately
accepted to the United Nations. My government holds to the position worked out with our allies that acceptance of both nations into the UN can only be the result of a fundamental regularization of the relationship between the FRG and the GDR.  

I also understand the Three Powers’ desire to first formulate with the Soviet Union a declaration concerning the continuing privileges of the Four Powers in Germany as a whole.

Up to now, the exchange of opinions with the GDR could not be advanced to a phase of negotiations which can offer real chances of success. The GDR categorically refuses to recognize the reference to one German nation.

The course which you agreed on in Moscow, concerning the issues of a Conference on Security and Co-operation in Europe and a balanced troop reduction, is in accord with my thinking, especially with respect to the matter of a time-line.

It has nothing to do with the expansion of Americanism in my country that we, as well as you, will have elections in November. We have good prospects, as do you, of being able to work for the next four years with a secure mandate and a solid majority.

Yours sincerely,

<signed: Willy Brandt>

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1 The template copy here is a duplicate of the original.
2 President Nixon’s teletype message to Brandt of 8 June 1972, in which he reports on his state visit in the Soviet Union from 22 to 29 May 1972, is found in: NARA, Nixon Presidential Materials Staff, NSC, 1969–1974, Presidential Correspondence 1969–1974, Box 754.
4 The US ambassador in Bonn, Hillenbrand, had been in office since 27 June 1972 and had met with Brandt on 6 July 1972.
5 On 17-18 December 1971 the Finance and Economic Ministers of the Group of Ten had met in Washington to agree on a new order for exchange rates and to tackle the matter of reforming the international currency system. Cf. EA 27 (1972), 1, D 23 f.
6 Meant here is the deregulation of European exchange rates vis-à-vis the dollar while retaining the parities between the European currencies, which the five most important industrial nations agreed on in March 1973 to stem the speculation-driven flow of dollars to Europe.
7 Cf. No. 65, Note 3.
8 Note 2.
9 Cf. Introduction.
10 Cf. No. 33 and 38 as well as Introduction.
11 On 25 June 1972, Brandt had declared his intention to aim for new elections in November of the current year. Cf. Introduction.
12 Signed by hand.