

PRO, FO 371

1/11/50
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UR323/48

TOP SECRET

RECORD OF CONVERSATION AT H.M. EMBASSY, PARIS
on 3rd February, 1950

Present:

Mr. Ernest Bevin
Sir O. Harvey
Mr. R.E. Barclay
Mr. F.D.W. Brown.

M. Schneider
M. Parodi.

EUROPEAN AFFAIRS

After discussing the Colombo Conference and Indo-China (see separate records) the Secretary of State turned to European affairs.

Emphasising the strictly confidential nature of his remarks, the Secretary of State told M. Schneider that he had been considering what the next move in Europe should be. On the economic and financial front there had been much discussion of such regional groupings as Finebel and Uniscan. He was anxious to consider how these plans could fit in with political developments in Western Europe, and in particular whether Germany should or should not be associated with them. He had therefore sent a message to Mr. Acheson to suggest that he should pay a visit to London as soon as possible after the United Kingdom elections. He thought that this would provide an opportunity for a further Tripartite meeting on the lines of that held in Paris at the beginning of November, at which Mr. Acheson, M. Schuman and he might review the policy to be followed in Europe in the coming year. He thought it would be necessary to associate the Benelux powers and possibly Italy with these discussions. For his own part he would have to have detailed discussion with his colleagues about H.M. Government's policy in Europe both in the economic and political field. He did not want to sit on the fence but before deciding what action to take a full review must be made. Another important point was that the conference should work out together, possibly after considerable preliminary work, the best method of bringing Germany into the Western world. It was essential to be clear about the role which we wanted her to play and to consider the various different risks involved. It had been suggested to him in Italy, for instance, that Great Britain ought to take a greater part in European affairs because of the menace of Germany. He thought that the United States, Canada and the United Kingdom would also have to take the opportunity to consider the future working of the continuing arrangements made as a result of the September talks in Washington.

He had heard from Mr. Acheson that he would like to come to London, but on no account should anything be said publicly about it for the time being. He would discuss the matter further with H.M. Ambassador at Washington when they met in the next few days in London. He hoped to be able to keep M. Schuman informed of

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Having outlined this situation, the Secretary of State said he hoped the French Government would be able to avoid taking any important decisions about Finebel until this wider review of the situation/

situation had taken place. It was essential to bring the United States Government into these European discussions not only because of the part they played in Germany, but also because he was anxious to tell the Americans some of the things which Europe wanted them to do in return for the advice which was so often received from Mr. Hoffman.

M. Schneider took note of this explanation and said that the French Government did not want to take any action in Europe without the concurrence and co-operation of the United Kingdom. They were, however, under some pressure to draw up new schemes for Europe and in the present circumstances, while he quite agreed that they should go slow on Finebel, he did not think the idea should be buried. The Chancellor of the Exchequer had seen M. Petsche and had asked him to talk over the political aspect of the question with the Secretary of State, adding that from the purely economic point of view, he did not want to be obstructive. If the Secretary of State saw political objections to Finebel the French Government would be prepared to drop it. Finebel could not stand alone. For instance, the Netherlands Government thought it essential to associate Germany with it, but the French Government were not prepared to bring Germany in without knowing that they had H.M. Government's agreement. Moreover, if Germany came in they thought that the United Kingdom would have to come in too. He understood that some members of Uniscan also wanted Germany associated with that grouping. There was, therefore, a serious risk of Germany once more entering the political game by playing off one side against the other in the economic sphere. Although it might be possible without political repercussions to make some progress about the clearing agreements, he was quite prepared in deference to the Secretary of State's wishes to put off any far-reaching decisions about Finebel till after the United Kingdom elections and the proposed tripartite meeting. A meeting of the Finebel powers was due for the 15th February, and it could easily be put off.