

Telcon
Under Secretary Simon, Treasury
March 14, 1973; 9:19 a.m.

K: Hello.

S: Good morning, sir.

K: How are you?

S: Fine. How are you?

K: Okay. I've just been called to the President. Let me tell you -- Shultz has sent me a copy of the cable that Volker gave him - that Volker sent him about the interventions, and he has asked for my views. I basically have only one view right now which is to do as much as we can to prevent a united European position without showing our hand.

S: Okay. Well, I interpret that as less intervention, which is a good idea, and I think George will be very happy with that comment. Do as much as we can to prevent a unified European position.

K: I don't think a unified European monetary system is in our interest. I don't know what you think for technical reasons, but these guys are now helping to put it to us.

S: Yes, sir.

K: I don't know whether that's true in the short term, but I'm convinced that that's true in the long...

S: I just agree with you a thousand percent.

K: So I'd rather play with them individually. You know, if it were a question of supporting an individual currency, I'd be much more inclined to do that.

S: Yes, such as the _____ mark.

K: That's right.

S: Yes, sir.

K: Does that make sense to you?

S: Yes it does.

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K: You understand, my reason's entirely political, but I got an intelligence report of the discussions in the German Cabinet and when it became clear to me that all our enemies were for the European solution that pretty well decided me.

S: Yes, sir. Well, I pass. I'm going to be talking to George on the telephone.

K: Be careful. Everything in Bonn is tapped.

S: I promise you I will.

K: Okay, good.

S: Wonderful.

K: Thank you.

S: Thank you, and have a nice vacation.

K: Right. I won't be off til Friday.

S: Okay. Goodbye.

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