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By WDP NARA Date 5/3/01

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DEPARTMENT OF STATE

Memorandum of Conversation

DATE: July 4, 1974,

PLACE: Quai d'Orsay, Paris, 8:30 p.m.

SUBJECT: Conversation following Dinner hosted by French Foreign
Minister Jean SAUVAGNARGUES

PARTICIPANTS: (See Guest List attached)

DISTRIBUTION:

SAUVAGNARGUES: One thing we have been wondering about is why relations turned sour after Reykjavik.

SECRETARY: This is something that totally baffles us. Perhaps it was my imperfect French, but I thought from talks I had with Pompidou that we had a working relationship with France. In fact, the only Ambassador I told about my April 23 speech was your Ambassador in Washington with whom I talked ten days before I gave the speech. I was totally amazed when your Government decided to oppose what we had proposed. Jobert told me that the one thing France did not want was for the U.S. to talk to the EC. He said that he preferred for us to deal with the French and not build up the EC and make it move faster. Davignon flew all the way to California to protest our dealing only with France. This exchange--and I don't want to dwell on it--led to an escalation of misunderstandings at the time of the Middle East war.

SAUVAGNARGUES: There is no reason to go into a post-mortem. What we need is a fresh start. Our main problem is that Europe is weaker and it is

EUR:AAHartman/gw

(Drafting Office and Officer)

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difficult for us to deal with you. You have a solid position on such matters as security, oil, commodities, etc., but our interests are similar. Why do you object to the Nine concerting their policies before they talk to you? That is a mystery to me.

SECRETARY:

You have to put this in the context of the previous history that I was just reciting. First France said deal with us; then there was the question of getting a unified position on the part of the Nine on how to respond to the American proposal. Then the Danish Foreign Minister handed me "the position," but he had no power to negotiate. We don't ask you to tell us your plans but we do ask for the opportunity to comment before the decisions are made on matters of interest to us.

SAUVAGNARGUES:

I agree with the point you made to me before that it is a good idea to drop any idea of a declaration with the Nine. That raises the question of how and when the EC can meet together. There is no solution if you wish to inject yourselves into EC decision making.

SECRETARY:

There are two problems. We understand the difference between "Nine" and "Ten". We know we can't be involved in your decisions, but there must be enough confidence so that we can discuss matters. Take the EC-Arab dialogue, what we want is a general idea of your thinking so that we can express our views. Then you can take your decision in light of those views.

SAUVAGNARGUES:

But when there is a summit meeting, we can't tell what the decisions will be in advance.

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SECRETARY:

But you can't tell me that several Arab Foreign Ministers from such places as the United Arab Emirates merely appeared at Copenhagen. I believe a larger number were invited and only those few showed up.

PUAUX:

I can assure you that they came by themselves.

SECRETARY:

They must have been encouraged.

SAUVAGNARGUES:

When we talked at breakfast that day, I got the impression that you still objected to the Nine consulting without the U.S. How could Europe be made against the U.S.? Your President talked of Europe ganging up on the United States. No one in Europe could ever think of such a thing.

SECRETARY:

I don't really want to pursue past history. But let me assure you that we did not object to what you decided at Copenhagen. We just wished we had had an opportunity to express an opinion. We are in favor of technical and scientific cooperation. What we object to is the idea that nine EC Foreign Ministers would get together with twenty Arabs. This is a prescription for disaster. It puts a premium on encouraging the most radical Arab states to force demands on Europe. But we have said all this before. We believe Europe should cooperate and build a relationship with the Arabs, but we don't believe it is in your interest to force Arab unity.

SAUVAGNARGUES:

The question is how to put substance into the dialogue.

SECRETARY:

We favor a major European role. It is the only alternative to the Soviet Union building up their position once again, if and when our relations with the Arabs turn sour.

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SAUVAGNARGUES: I hope all of this past history won't happen again. I still feel that the Arab dialogue will be helpful. And I can assure you that we will not interfere with your efforts. We will not push ourselves into the settlement--this is your responsibility.

SECRETARY: We have told all the Arabs that we favor a dialogue with Europe.

SAUVAGNARGUES: I know that. We wish to establish a working relationship with them.

SECRETARY: Why as a group?

SAUVAGNARGUES: Because it is more efficient.

PUAUX: We didn't want to just talk to the oil producers.

SECRETARY: We have to get a balance in the Arab world. We don't talk to Syria and Egypt together.

de COURCEL: They wanted to talk to us together.

SECRETARY: All twenty of them?

SAUVAGNARGUES: The real question is if the Arabs raise the price of oil again it will be cataclysmic--that is the only point that we will raise on oil. We will not discuss supply problems.

SECRETARY: There is no way we can approach the energy problem separately. The U.S. could easily pursue a separate policy. We can't settle those problems in the abstract. I can assure you that we will put no obstacle in the way. There is no conflict between us. We do not object to EC economic cooperation with the Arabs.

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SAUVAGNARGUES: What about the energy problem?

SECRETARY: On energy we had thought that the ECG was the best way to organize consumer cooperation. We are flexible on organization--that can be settled later. If the producers have a cartel, why should not the consumers cooperate.

SAUVAGNARGUES: Don't you still want a producer-consumer conference?

SECRETARY: Who wants it?

SAUVAGNARGUES: How can you contain rising prices?

SECRETARY: If you have a consumer organization it can agree on such things as consumption restraint and emergency sharing. If we have a better organized position, we can confront the problem of prices. What we need is a coordinated approach. The reason we are going ahead with bilateral cooperative programs is to give the Arabs something they might risk losing if they interfere with oil supplies again. If all the consumers work together, this will be more effective.

SAUVAGNARGUES: We don't want a confrontation with the producers.

SECRETARY: Sooner or later we will have a confrontation. We can't continue to be ransomed by those weaker states who are promoting inflation in all our countries. Out of the 40 million Arabs only 3 states have efficient civil servants. We need concerted action so that we don't act like a disorganized rabble.

SAUVAGNARGUES: Do you think you can handle the Saudis?

SECRETARY: We will try.

SAUVAGNARGUES: If they produce more we can get a lower price.

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SECRETARY: We have made a major effort to keep our companies from bidding in the auctions. It seemed to work in Kuwait.

SAUVAGNARGUES: Do you want the ECG to continue?

SECRETARY: Whether the ECG continues is not important to us. We can create another group. What we need is continuing cooperation among consumers. We have suggested the IEP and we are prepared to make an effort to have France associated with this in some way.

SAUVAGNARGUES: I am worried by this basic approach to consumer cooperation.

SECRETARY: What is the alternative?

SAUVAGNARGUES: We should try to avoid confrontation.

SECRETARY: This is not confrontation. We want to put ourselves in a position where we can coordinate our resistance.

SAUVAGNARGUES: But we are more vulnerable.

SECRETARY: What we are talking about is emergency sharing and R & D. You benefit from these. Europe has more to gain. It is a curious fact that the oil producers have not objected to this.

SAUVAGNARGUES: You are the United States and you can afford to antagonize the Arabs.

SECRETARY: I can assure you that we did not wish to enter into this theological debate. We favor a united Europe but not one that would be in a constant confrontation with us. As I pointed out in Ottawa, we cannot sign a document in blood and force people to consult. In fact, most of Europe is prepared to consult.

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SAUVAGNARGUES: At least eight of the nine.

SECRETARY: I was too diplomatic to say this.

SAUVAGNARGUES: This has been a totally unnecessary quarrel.

SECRETARY: You might have said that this was a cunning U.S. effort to dominate European energy policy but it is an objective fact that it would not be in our interest. What the West showed in October was that most countries acted as if they were rabbits paralyzed by the snake. Who are the Saudis--there are only four or five of them who understand the problem. If France had called a conference in Paris after my London speech, we would have agreed. This is a systemic problem. If you go back to the 1940's, we helped Europe grow stronger. We now wish for our own interest and Europe's interest to cooperate on energy. We are about to complete the first phase of the ECG work. We are flexible on locale and the American role. We can't accept that no action is possible because it might trigger an Arab response. What we want to do is strengthen the moderate Arab group.

SAUVAGNARGUES: What we ought to try to do is to arrange for the procedure to be adapted to the substance of the problem.

SECRETARY: What we have suggested does not in any way preclude a European energy policy. In fact, we would welcome the formulation of such a policy.

SAUVAGNARGUES: I have glanced through your IEP and find some good things in it, but I believe it goes too far.

SECRETARY: We are open-minded on timing.

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SAUVAGNARGUES: We have to remove the suspicions from this situation.

SECRETARY: What we need is a report by experts.

SAUVAGNARGUES: We also have to talk about institutions.

BROSSOLETTE: There are many doubts about what the U.S. would do for Europe in an emergency situation. If there is pressure on your oil production, would the U.S. be willing to send oil to Europe?

SECRETARY: No one is proposing any pressure but what if the oil producers press us?

BROSSOLETTE: What do you think we should do?

SECRETARY: What we have to do is avoid the kind of panic situation we ran into last October. We have to develop cooperation among consumers. Our bilateral relations are improving with the Arab countries and we hope to use those relations to keep them from taking actions against us. We are also taking steps to keep the major oil companies out of the oil auctions. The Saudis seem to welcome these actions because it will help bring the prices down. The Integrated Emergency Program should be most effective against selective embargo. There is no way that we can replace the oil if there is a total embargo. All we can hope for is a feasible amount of sharing.

SAUVAGNARGUES: Do you expect a new embargo?

SECRETARY: I think that the danger is minimal. What we should really fear are price rises. The Shah is trying to drive prices up.

SAUVAGNARGUES: Yes.

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SAUVAGNARGUES:

How do you see the CSCE Conference developing? Are you pressing for a summit? The Soviets seem keen to have one.

SECRETARY:

We are not particularly interested in a summit. We are not pressing anyone on this. If we wanted to press anyone on it, we would do it in a straightforward way.

SAUVAGNARGUES:

This whole debate seems to be useless. We probably should support the detente forces in the Soviet Union.

SECRETARY:

What I am saying is this. Every Western leader has been saying that he is willing to go to the summit if the results of this conference warrant it. What we have to determine is what results would warrant a summit. No country knows what it wants. We should do two things: 1) We should decide among ourselves if there is any result that we could imagine that would justify a summit; and 2) we should write down what it is we want so that we can discuss it sensibly with the Soviets. We are willing to say that no outcome justifies a summit, but we ought to take into consideration that there may be broader collateral benefits to having a summit. But no European government has been asked by us to go to a summit.

SAUVAGNARGUES:

I can't see that there is anything in Baskets I or III which would make it worth having such a meeting but perhaps it is unavoidable.

SECRETARY:

But we should speak with some clarity in Moscow.

SAUVAGNARGUES:

Perhaps we can't prevent it.

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SECRETARY:

We have not decided to go to a summit.

SAUVAGNARGUES:

Whether we pass on to Stage III we should agree to define the results. There has been some small progress and the whole exercise is not completely in deficit. We should define the minimum results obtainable, but my staff doesn't like to do this and give it to the Soviets in advance.

PUAUX:

The danger is putting it in writing. We may lose from that tactic.

SECRETARY:

Why should we keep our objectives from the Soviets? Why don't we give a piece of paper to them?

PUAUX:

They know very well what we want.

SECRETARY:

There is the trouble. We need to put down point by point what we want. So that the Soviets can see what we are asking. What the totality of our position is.

De COURCEL:

I don't think there is any result that justifies a summit.

SECRETARY:

Why don't we write the 10, 15 or 6 major things that we want to come out of the conference and give it to the Soviets. I see two possibilities which could come out of this: a suspicious atmosphere if you think we have already agreed to a summit and I can see a deterioration in our relations with the Soviets.

SAUVAGNARGUES:

I think the whole thing is a mistake.

SECRETARY:

If your President tells us that he does not wish to see a summit meeting, we would accept that and then consider how to conclude this whole exercise.

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SAUVAGNARGUES: We must avoid a permanent organization.

SECRETARY: As you know, we opposed this whole conference from the beginning. I believe that we should decide now if we don't want a summit and then we should decide how to conclude below the summit level. The worst situation I foresee is one of total stalemate. So you should just tell us what you want.

SAUVAGNARGUES: We should finish this up as soon as possible and treat detente as a continuing process.

SECRETARY: The question is how to conclude. We have to exercise some leadership. No Foreign Minister has ever read the papers that have to do with Basket III, certainly I have not.

SAUVAGNARGUES: I have not.

SECRETARY: Frankly we opposed this conference and we certainly never liked the idea of a summit but we have the feeling that others have already given this away. I don't know if President Pompidou made a commitment but I am pretty sure Brandt did.

SAUVAGNARGUES: I think that's true.

SECRETARY: We have never asked anyone to go to the summit. What we need is a common strategy; the worst outcome would be a stalemate.

SAUVAGNARGUES: How do you think Brezhnev's position stands today?

SECRETARY: I think he is fairly secure. Of course, it was a blow when Brandt fell. Things have never been easy between the Soviet Union and the GDR. Gromyko told me that the fellow

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who was discovered in Brandt's office was not "their spy." But, of course, it is hard to blame the GDR since Brandt seems to have a certain attraction for characters like this.

SAUVAGNARGUES: I really feel sorry for Brandt. He was a good man.

SECRETARY: Yes, I liked him too. He is a very nice fellow but I don't believe he was a great statesman.

SAUVAGNARGUES: As far as the other aspects of the German situation I haven't really got a good feel for the CDU these days. I know Carstens quite well but I don't know Kohl.

SECRETARY: Going back to our relations, it seems to me that the most important thing we can do is if we have suspicions about each other that we say so. Tell us what you think and then let us find straightforward solutions--whether it be in the energy field or whatever other issue there is. We have to find some way to dispel the fears that have existed.

SAUVAGNARGUES: I told the Germans that we should find some way to finish this exercise in the CSCE. It would be dangerous and senseless to have a stalemate. If we don't want a Summit we should tell the Soviets so.

(Conversation ended about 11:30 p.m.)

Attachment:
Guest List

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