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THE WHITE HOUSE

PRESS CONFERENCE

OF

HENRY A. KISSINGER

SECRETARY OF STATE

AND

ASSISTANT TO THE PRESIDENT
FOR NATIONAL SECURITY AFFAIRS

MERIDIEN HOTEL

11:45 A.M. (Martinique Time)

MR. NESSEN: We have Dr. Kissinger now for his briefing, and as Mr. Beauchamps told you, this will be followed by the President of the Republic of France.

Dr. Kissinger's briefing is on the record, available for filming and taping. There will be no filing until after the briefing is completed.

Dr. Kissinger.

SECRETARY KISSINGER: Ladies and gentlemen, we have distributed the communique which is substantially self-explanatory. Let me make a few preliminary points.

First, as the President of the Republic said last night in his toast, both sides approached these discussions with the attitude not of who would get the maximum number of concessions from the other, or who would be the victor in the negotiations, because we don't think of each other as antagonists, but as allies.

We looked at the outstanding problems, especially in the field of energy and economics, from the point of view of what was in the mutual benefit, the benefit of Europe and the United States, as well as the benefit of all the interested nations around the world. And therefore, with respect to the energy issue, which was one of the principal problems which was, of course, discussed, I think we achieved the synthesis of the French and American positions which took account of the American conviction that consumer cooperation was essential and the French believed -- which, as a matter of fact, the United States has always shared -- that consumer cooperation must lead rapidly to consumer/producer dialogue.

I would like to add that in addition to the substance of the communique the conversations were conducted in an atmosphere of great cordiality and the relationship of confidence that has grown up between the two Presidents will help facilitate and guarantee the spirit of cooperation which we believe is one of the important results of this conference.

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Having attended many similar meetings between French and American leaders, I must say I found this atmosphere the most positive and the one between the two leaders, and one in which as far as the United States is concerned -- the French President will undoubtedly speak for himself -- we will continue in the exchanges that will be necessary to implement the various aspects of the communique as well as the cooperation that is foreseen in the communique.

Now why don't I take your questions.

Q Mr. Secretary, can you give us a rundown on the sequence of events that are going to happen in these conferences concerning the oil crisis? Which one takes place first and what happens after that?

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SECRETARY KISSINGER: As the communique says, the steps should be taken in sequence and the sequence is the one described in the communique; that is to say, there will first be an effort of some urgency to strengthen consumer cooperation in the field of conservation, of developing alternative sources of energy and of setting up new mechanisms for financial solidarity.

Based on progress among the consumers, this will then lead to a preparatory meeting between consumers and producers for which we set a target date for March 1975. Of course it depends on the progress the consumers make among themselves, but the United States will cooperate in bringing about the preparatory conferences and obviously will not use delaying tactics.

I think there is good will on all sides. We can make substantial progress among the consumers and given the urgency of the situation, in fact, we must make substantial progress among the consumers.

After the completion of the preparatory discussions, we have foreseen intensive consultation among the consumers to develop common positions and common attitudes toward the Consumer/Producer Substantive Conference. The preparatory meeting will deal with procedure, agenda, participants, and will not deal with substance.

This is the sequence that the two Presidents have agreed upon, and again, I would like to say that the United States has not considered its views as incompatible with those of France. In fact, at the Washington Energy Conference, we proposed that the consumer cooperation should lead to consumer/producer dialogue and therefore, we welcome the French initiative and I think we can work cooperatively to achieve the common objective.

Q Will France participate in this consumer effort to strengthen solidarity?

SECRETARY KISSINGER: It says existing institutions and agreements. There are a number of factors. France, of course, is not a member of the IEA and we have not asked France to be a member of the IEA. It is my impression that France will work in parallel to the IEA in the same direction.

For example, we have had occasion to point out that the French conservation program is going in the same direction as that of the IEA and in some respects, goes beyond it.

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The institutions or the mechanisms for financial solidarity we had proposed in my speech should be taken in the group of 10 in which France is, of course a member, and therefore, there is no difficulty about French participation in those.

With respect to alternative sources of energy, it may be that they are initially discussed in the IEA, but there is also a role there for European institutions, so we are not concerned with the legal structure.

It is our conviction that France will work parallel to our efforts and we will find the legal formula by which to implement.

Q Mr. Secretary, doesn't that kind of informal arrangement give France the benefit of consumer organization that has already taken place without having any of the responsibilities, for example, in oil sharing?

SECRETARY KISSINGER: No, it is our view that we are concerned with the substance and therefore, how France participates under what legal form is not of decisive concern to us.

As I pointed out, the financial institutions, for example, are not being done in the IEA to begin with. The conservation measures, once they have been agreed upon, do not really require any international party to implement. They can be implemented on a national basis.

I have the impression that we should stop talking about Franco-American relations in terms of confrontation and who is taking advantage of whom but rather in terms of practical cooperation in which the actions of the two parties will be more important than the legal form and that is our attitude and it is our impression that was the French attitude at this meeting.

Q Mr. Secretary, could you please tell us what progress, if any, was made relative to your suggestion in Chicago of the \$25 billion fund for the shoring up of those economies that need it in light of the oil shortage?

SECRETARY KISSINGER: We found the attitude of the French President very positive to this idea and we have the impression that France will work with us in the group of ten to implement this idea.

Q How do you account for the French change? All of a sudden you have peace and it is lovely. What caused this after ten years?

SECRETARY KISSINGER: I didn't say there has been a French change. I described the results of this conference and I can only say that both Presidents seem to me to be convinced of the urgent problems facing their countries and facing the industrialized countries and, indeed, facing the whole world.

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And it was a discussion that was not conducted in slogans but in terms of the issues and when you confront the issues, I think certain conclusions are, more or less, inevitable.

I would also say that the manner in which both Presidents conducted the conversations, which was free of dogma on both sides --

Q Free of what?

SECRETARY KISSINGER: D-o-g-m-a. It is a Latin word, not German (Laughter) -- contributed to the result but I don't want to claim any changes.

Q Mr. Secretary, leaving aside the financial side in the group of ten, will the French participation in the conservation side be through the EEC, that is to say, are you contemplating here that the EEC will become an elective member of the IEA?

SECRETARY KISSINGER: This is one possibility. It is not for the United States to prescribe how Europe should organize its energy policy. The United States would certainly have no objection and can see some advantages in a common energy policy on the part of Europe and this, in turn, of course, would permit the EEC to participate as a unit in the IEA.

This is essentially up to the Europeans.

Q Do you think it will happen?

SECRETARY KISSINGER: Let me make a point. Obviously, the spirit of what has been agreed here in Martinique requires that France work in parallel on the same substance as the other principal consumers and we believe that this can be done. This is one device for doing it, but we are prepared to find other consultative devices.

Q Did you get any assurances from the President of France that they would be willing to do this at this meeting?

SECRETARY KISSINGER: That they would be prepared to have a common European energy policy?

Q Or that EEC would join the IEA.

SECRETARY KISSINGER: We did not discuss the legal relationship of France to the IEA. We discussed the substantive relationship of the measures that needed to be taken and as we pointed out, it is our view, and I think it is the common view that certain substantive steps have to be taken in order to make the consumer/producer dialogue useful. And the United States, obviously, will know whether these steps have been taken.

Q Mr. Secretary, will the March conference be composed of nations outside the major oil producers and also major oil consumers?

SECRETARY KISSINGER: Let me make two points: The March date is a target date. It is not an absolutely fixed date, but we will work seriously to see whether it can be implemented. The original proposal was that it might be tripartite, that is, that some of the less developed consuming countries might also participate. The United States is not opposed to this in principle, or to put it positively, the United States is prepared for this but the exact composition of either the preparatory or the final meeting has not yet been settled. This is one of the issues that has to be settled.

Q Mr. Secretary, can you give us further elaboration on the Mideast discussions? How much of the time was spent talking about the Middle East?

SECRETARY KISSINGER: I think, in the Mideast discussion, the French point of view has been publicly stated and there was a full exchange of the respective points of view. No conclusions were reached or announced. This was mostly in the form of bringing about a fuller comprehension by each side of the views of the other.

Q Mr. Secretary, could you point two things out: What the gold agreement means and also, what was our original request for compensation for the NATO bases?

SECRETARY KISSINGER: What the gold agreement means is this: That there has been a fixed price for the valuation of gold which does not reflect the market price and it means that each country is free to adopt current market prices as the basis for evaluation and therefore, show on its books a value of gold reserves which corresponds more nearly to the market price of gold which is about 3-1/2 to 4 times larger than the fixed price of gold and therefore, reflects more accurately the capacity of the reserves of each country to pay for deficits.

I frankly do not remember what the original figures were. I know the French figure that they first offered us was substantially below \$100 million and I am certain the figure we asked for was substantially above and this seemed to us to represent a fair compromise, but I don't remember what the figure was that we originally asked for.

Q What of the apparent French suspicions that the United States is trying to dominate the policies of the industrialized world and dictating its terms?

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SECRETARY KISSINGER: I don't want to comment about French suspicions that were not expressed at the meeting. At the meeting, we discussed how to deal with concrete issues and we reached the results which I have described so that the suspicions that I occasionally read in the French press were not expressed by French officials and I therefore don't feel the need to comment on that.

Q On the gold question, does the agreement you have reached imply also the central banks are free now to buy and sell gold at the market price?

SECRETARY KISSINGER: I don't want to get into technical questions of gold purchases. What it means is that they can value their gold at the market price.

Q It does mean that?

SECRETARY KISSINGER: It goes no further than that.

Q Mr. Secretary, is it the American view that the United States will do this or is it going to be a totally European proposition?

SECRETARY KISSINGER: The valuation?

Q Yes.

SECRETARY KISSINGER: That is up to each country.

Q I asked about the United States. Do you anticipate we will do it?

SECRETARY KISSINGER: I don't have the impression that we will do it in the near future.

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Q Mr. Secretary, is it the American view that a consumer/producer conference would have as a principal goal lower oil prices, and do the French share that view?

SECRETARY KISSINGER: I think everybody agrees that lower oil prices are highly desirable and it is the American view that oil prices should be stabilized at a lower level.

I think we all agree that regardless of what happens to oil prices the impact of the oil prices on the world economy and the means that are necessary to assure the stability of the economies of the industrialized nations, as well as a fair progress for the producer nations must be a subject of a consumer/producer dialogue, but the preparatory meeting is designed precisely to define the agenda as well as the procedures of such a dialogue, so it isn't possible to be conclusive about it at this moment.

Q How is this going to be proposed to a country, like Japan, consumer/producer country conference?

SECRETARY KISSINGER: Well, as you know, we have been in the closest contact with the Government of Japan, and I had extensive conversations with the then Foreign Minister Kimura, which have been reaffirmed by the new Japanese Government. And of course the French Foreign Minister had been in Japan at about the same time that we were there.

So it is my impression that what has been agreed upon here will have the support of the Government of Japan and reflect exactly the idea that the Government of Japan expressed to both of us. And it is also my view, based on conversations with the German Chancellor and with other major consuming nations in the NATO meeting in Brussels, that what was agreed to here will elicit a wide consensus.

Q Dr. Kissinger, in elaboration on the Middle East question, does it appear that there was French acceptance of the United States idea of a step-by-step solution to the Arab-Israeli problem?

SECRETARY KISSINGER: I don't want to speak for France, particularly since the President of the Republic is waiting to appear here.

My impression is that there is no French disagreement with the step-by-step approach, but having a more Cartesian upbringing than we, France may perhaps feel it more necessary than we do to define the terminal point at the outset. I don't think there is any French disagreement with the step-by-step approach if it can be achieved.

Q Mr. Secretary, it says in the communique that there has been accord on many questions. Could you point out the questions upon which there is disagreement?

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SECRETARY KISSINGER: I am not leaving this meeting with a spirit that there has been substantial disagreement on any question. I think "many questions" refers to the fact that in a limited amount of time only particular issues could be discussed, and did not mean to imply that any issues that were discussed were left open to disagreement.

THE PRESS: Thank you, Mr. Secretary.

END (AT 12:11 P.M. Martinique Time)