

DECEMBER 14, 1974

POOL

BACKGROUND BRIEFING  
 BY A  
 SENIOR AMERICAN OFFICIAL  
 ABOARD AIR FORCE ONE

Q. How did the meeting come about and what do you hope to achieve?

A. Shortly after the President took office discussions started with the French about a meeting between the two Presidents and I think the final decision was made sometime in December, I don't know when it was announced. But this is how it came about. Now what do we want to accomplish?

We consider France an important and valued ally. We believe that many of the disagreements that have characterized Franco-American relations for fifteen years are unnecessary and soluble. Many of them have concerned French fears that we want to force them into particular institutions. We are not concerned with institutions, we are concerned with substance.

We will discuss the general Franco-American relationship, European-American relationships, and then we will discuss a series of specific issues. One is energy. Second is East-West relations. I am not saying that we will discuss them necessarily in that order. Three is economic relations of the United States to the rest of the world, particularly to Europe. Under East-West relations we undoubtedly will discuss a European security conference, our meetings with Soviet leaders, and their meetings with Soviet leaders. These will be the major items.

And of course any other topic either President wishes to raise.

Q. Under topics of speculation there have been the matter of bringing France into cooperation with the IEA, (international energy agency) and the aircraft competition between the two countries, because there is so much money involved. What are the prospects on these two things?

A. First, let me not deal with the IEA as such, let me deal with the energy problem. Let me go on from there to the IEA. At the Washington Energy Conference last year (this year) we proposed three steps.

First, the organization of consumer solidarity among the advanced industrial countries and the major importing countries.

Second, another discussion with other consumers, from the less developed countries. Thirdly, a consumer-producer conference. Now the second turns out not to be so practical, to have a consumer conference including the less developed countries, because that puts them into a very difficult position. But anyway, the idea of a consumer-producer conference we agreed with. Our concern is this; there are many consumer-producer talks going on now. The United States commissions with Iran, Saudi Arabia, and good relations with many other Arab countries. The Europeans have a dialogue with the Arab countries. So there is a lot of consumer-producer dialogue going on. The question is what will happen at a consumer-producer dialogue where all the consumers are put together with all of the producers. Our view is that a consumer-producer conference at which there is not consumer solidarity will make the situation worse because it will lead to constant disputes among the consumers in front of the producers and it will not have the results that most parties would want.

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Therefore, we are in favor first of strengthening consumer solidarity, second developing common positions for the conference and then going to the conference. Both are necessary.

If you simply start with common positions but not real solidarity then the positions will not survive three weeks at the conference. Now there is a good framework for consumer solidarity in the IEA. Really I don't believe that enough attention has been given to the emergency sharing program and alternative sources programs that we have developed.

We believe that we can enhance within the next two or three months, on the basis of the Chicago speech which I gave on behalf of the President, consumer solidarity sufficiently to go to the next step which is the preparation of consumer positions and from there we can go to a producer conference.

Should France join the IEA? We don't care whether France joins the IEA as such. Many cooperative things can be worked out. For example, our proposal of financial solidarity can be achieved within the group of ten or other groups that deal primarily with bilateral matters. Conservation measures can be worked out on the basis of principles developed by the IEA but separately. I think with good will on both sides we can find a solution to that problem.

So I believe, and the President believes, we are dealing with a soluble problem.

We are very flexible on this. The institutions don't matter so much. But it depends on whether the French really want consumer solidarity. If they want it, we'll find a way of bringing it about. But if they want to use the producer conference to undermine consumer solidarity then we have another problem.

I think they want cooperation. And if that's what they want, then we'll succeed.

Q. Do you have any evidence of that?

A. That's what remains to be seen. But that's my impression from talking to Sauvagnargues at NATO.

Q. You spoke of two to three months to develop solidarity and then go into the period of developing unified positions. What time frame are you talking about there? Is that three months?

A. Another three months. Without this there's no sense in having a meeting. The French have never said what they wanted.

Q. They want it a lot sooner than we want it, don't they?

A. The French have never been specific. But at any rate, we will not go to an unprepared conference.

Q. What about the aircraft problem, how important it is and what you think will happen. And what about the mandate Giscard apparently has from the other common market countries to ask the United States to adopt reflationary policies?

A. Giscard did not bring a mandate. The Europeans said they expressed the view that the meeting was important. They did not give him a mandate with a content. Inflation is not part of the mandate anyway. That sentence (in the communique from Europe) refers to the energy problem and not the economic problem.

Q. The French feel that this conference is stacking up as a confrontation. It has a possibility of a confrontation with OPEC.

A. We have no interest in a confrontation. If the French want to appear at the conference as mediators between us and OPEC, we can do that ourselves. We have no interest in a confrontation. On the other hand, we cannot... one of two things is going to happen at that conference. Either the consumers know what they want and negotiate from that in a conciliatory spirit, or they don't. In which case you're going to have a fragmented group and total chaos. That is the issue. We absolutely do not want a confrontation.

Q. What about the aircraft thing?

A. The aircraft thing is a very difficult thing. We have no reason to raise it. If they want to raise it, we are prepared to discuss it, but it is a difficult thing to work out, because you can't just assign a country to either us or the French and say you must buy from either France or the United States. I mean that's dividing up the bargain in a way that would be unacceptable to the countries concerned.

Q. What about a joint venture there?

A. A joint venture... we're willing to listen to ideas for the future.

Q. What's the goal of the conference regarding oil, to make certain that there is an adequate supply at the right price?

A. The conference should look at the problem of price over a long period of time, the problem of development of the oil countries and the problem of recycling, and the problem of the stability of the important economies. It's an important conference. That's why it has to be well prepared.

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