

SUMMARY

THE CONFERENCE OF THE HEADS OF GOVERNMENT OF THE NINE:
PARIS, 9/10 DECEMBER

1. The French President could count the Summit a fair success in as far as it came up to expectations for Europe, for himself, and for ourselves. (Paragraphs 1 and 2).
2. For Europe it managed to look positive, to cover the big problems and set a pattern for the future, without biting off more than it could chew. The European Council and Wise Man ideas offered a sensible approach to European construction. (Paragraph 3 and 4).
3. For M Giscard d'Estaing, it was the centre of a triple exercise in personal diplomacy, coming between his meetings with Mr Brezhnev and Mr Ford. On the whole he got the effect he wanted. (Paragraphs 5, 6 and 7).
4. For ourselves, the price he had to pay was a concession over the budget. The basis of this was that he wanted us in the Community and believed we wanted to stay. We were very much on the field of play. To have held out against us on the budget in isolation would have spoiled his Summit. But there could still be difficulties ahead about this problem. (Paragraphs 8 and 9).
5. Things would have been worse without the Summit. Its relation to our problem might be its most significant aspect. (Paragraph 10).




BRITISH EMBASSY,
PARIS.

20 December, 1974

The Right Honourable
James Callaghan MP

Sir,


1. It would be otiose to try to analyse a meeting of which you yourself, Sir, and the Prime Minister, are in much the best position to judge the significance. But you may like some indication of how it is seen here, and where it leaves M Giscard d'Estaing, who promoted and presided over it.
2. In that it did as much, and perhaps a bit more, than could reasonably have been expected of it, he can count it a success - for Europe, for himself, and for ourselves. These three aspects are not, of course, separate; they are reflections of the same phenomenon, but they are perhaps worth examining in turn.
3. For Europe, the President had all along taken the position that, being in the doldrums, it needed a new impulsion. Institutional advance seemed the best way of registering some sort of success during the French Presidency, given the difficulties of making progress on the economic front in present conditions. At the same time, there was a feeling that the Summit should in fact address itself to the real problems of the moment - inflation, unemployment, energy. But those, including ourselves, who advocated this, saw also that the Summit could not, and should not try to take detailed decisions in these matters. One could thus argue that, if the Community were ever able to take such decisions in common, this could only/done by /be developing, however tentatively, the eventual machinery for doing so.
4. Within its necessary limitations, the Summit can be seen as having made the best of these exigencies. It was neither the Paris Conference of 1972 with its cornucopia



of unfulfilled deadlines; nor the Copenhagen one of 1973, dithering and decisionless in front of the Arabs. It managed to look positive while keeping within the limits of the possible; it covered the big problems helpfully while avoiding unrealistic prescriptions; it contained something for everybody; and it set a pattern for the future. Here, the central feature for Giscard was the creation of the European Council. This involved a concept of progress towards a European power of decision that was positive, pragmatic, and, moreover, acceptable to ourselves. It put the weight on the interaction of Governments. It looked to a power of decision that would grow out of the habit of Cabinet-style consultation and consensus among the leaders, without supranational obligations and without any exaggerated public expectation of each meeting. It left officialdom on one side and put the action firmly in the hands of those with the real responsibility to take it. It left behind the laborious and painful process of preparation, which this time again had produced all the conventional reflexes. It represented an attitude to the major problems of the day and to European construction in which the ideas of consultation, convergences and cohesion would come before those of integration, common action and unification. It did not reach too ambitiously at the future, while at the same time it did not denigrate the hidden but nevertheless holy grail of European Union. In this respect, the Wise Man proposal had a positive look, brought in the Benelux (who want Union most), and nicely set the issue on one side during the difficult period of our renegotiation and popular consultation. The points about majority voting and direct elections were adopted by Giscard to show a spirit of innovation and to look like progress; he probably does not himself expect much of them, though there is a thought here that elected European parliamentarians with large constituencies could eventually give a big impetus to the European idea, on the principle of the tail wagging the dog.

5. For the President himself, the Summit was the central panel of a triptych of personal diplomacy and initiative, of

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which the other two parts were his meetings with Brezhnev and Ford. It illustrated a new style he has given to the conduct of international business - that of direct, informal and private converse with the principals, often in English, and with the emphasis on listening and on generating the interchange of ideas at least as much as on speaking out of his brief.

6. He had meant to have the Summit first, to give the impression of talking to both the Russian and American leaders on behalf of Europe. But the way it turned out in fact better illustrated the nature of his intentions in more than one way. Europe is at the centre of his policy: France must be an active agent but she cannot be fully effective alone and must exert herself through the larger framework of the Nine. Europe is also central in the sense that it is seen as a kind of eventual Middle Kingdom among the great powers - not by any means equi-distant between the Soviet Union which represents the threat and the United States which is the ally, but nevertheless something distinct and seeking an independent identity, the embryo of a great power in its own right. In another sense too the Summit was in the centre of Giscard's pattern of initiative: the degree of innovation, of change as against continuity in his policy, increased progressively through the three events. The false intimacy with Brezhnev at Rambouillet was in the pure Gaullist line. The Summit with its idea of continuing meetings of Heads of Governments, was Pompidolian in concept but with new features (for instance, a more forward attitude on institutions and towards the United States). Martinique epitomised the new style of co-operation rather than confrontation with the Americans. In that sense the Summit was for Giscard the external mirror of an internal operation whereby Gaullism can only be very carefully and equivocally buried. It was a Summit of compromise and prudent perspectives.


7. On the whole he came well out of it. If he was to make his personal standing and progress in Europe work for one another, he was more or less condemned to hold a Summit under the French Presidency. He could scarcely have left it to the



Irish. As it was, the results were at least sufficient to give a respectable display of having a European policy, where otherwise it would have looked as if this had gone by default. The main innovations were those he himself proposed. On the big problems of substance, there was useful review of priorities under his chairmanship. He got a specific mandate to talk to President Ford about economic convergence on behalf of the Nine and a recognition that the way forward over energy lay through a compromise with the Americans at Martinique - though the Summit did not produce enough for the French in either field. The decision on Regional Policy was a minimum but necessary piece of construction, though it involved him in giving ground, particularly to ourselves. France is a country in which diplomacy, like conversation, tends to be treated as a kind of competition and Giscard has been criticised here, both publicly and in the press and behind his back in the Quai d'Orsay, for having given too much away. But, nevertheless, I think he has in fact obtained a good deal of the effect he wanted. His rating in the latest public opinion poll has gone up.

8. For ourselves, the price he had to pay for all this was that he was driven to give us something like what we wanted from the Summit, on the budget. This was a personal and political decision in which he discarded his brief and confounded his officials (among whom there are - I am not particularly sorry to report - a number of disjointed noses). The premises for this decision were that he wanted us to stay in the Community and believed that we wanted to do so. He will have seen the Summit and the part the Prime Minister and yourself played in it as strengthening this view - otherwise he would be making his concession in vain. It will, I think, have seemed to him that Great Britain was stepping off the touch line of Europe into the field of play, and it is now clearer than before that he positively wants this to happen. It is something that involves also his instincts about the sharing of power at the centre of the Community.

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It will not have been lost on him that Herr Schmidt helped us to get what we wanted; that he showed his incisive weight and played the part of the man with the full bank balance. The French attitude to Germany is complicated: the necessity of inter-dependence and a certain hard headed intimacy (as between two former Finance Ministers) is tinged with jealousy and a submerged but fundamental distrust. We ourselves may represent what the French see as some danger to the system. But it would look a good deal less comfortable for them, as well as in the end much less viable, if the only line of strength through it lay between Paris and Bonn.

9. We got the formulation on the budget because we were in a position of tactical advantage. The others wanted to help us and if Giscard had held out in isolation, he would have spoiled his Summit. But we are by no means out of the wood over this. It may seem to us that the mandate both to respect the system of "resources propres" and to work out criteria of acceptability, will lead the institutions of the Community inevitably to something like the solution we have proposed. But the French still do not see it like that at all; they will try to exploit the ambiguities of the instruction and to defend the absolute chastity of the system. Before we are through, another political decision against the advice of his experts could therefore be required of Giscard, and another time the tactical conjuncture might not be so favourable. Nor will he be in a good position to ignore his own domestic political constraints against anything that looks like disadvantaging the French. If we are to get him to take such a decision when the moment comes, it will have to be set once more in a context that makes it look worth taking rather than surrounded with supplementary doubts about the other facets and implications of renegotiation.

10. As it looks in Paris, the main thing about the Summit was thus perhaps that it took place at all and was not an evident failure. Things would have been worse without it. It lifted the head of Europe a bit. It strengthened Giscard's

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own position; it enabled him to paint his triptych, whereas not to have held it under his Presidency would have looked bad. Moreover, it provided what may prove to have been a vital link in the delicate process of regulating to the satisfaction of the British people our situation in the Community. That aspect would come last in any French catalogue; indeed, it is seen as a "victory" for us, for which there is an obverse in defeat for the French. But I suspect that somewhere inside himself the President may have recognised that in objective reality it was the most significant component of the whole exercise.

11. I am sending copies of this despatch to HM Ambassadors in other EEC posts and in Washington and Moscow and to the United Kingdom Permanent Representatives on the North Atlantic Council and to the European Community.

I have the honour to be
Sir
Your obedient Servant

Handwritten signature or initials, possibly "D. J. ..."