

Lally
(F)MR. RYDEREDU Dinner, 20 July

We discussed the implications of the plan for the Prime Minister to host a dinner for the EDU, which is likely to be attended by M. Chirac among others, at No. 10 on 20 July. You agreed that it might be prudent to seek FCO advice on the extent to which this might be misunderstood by or give possible offence to President Giscard and, probably to a lesser extent, Chancellor Schmidt.

I have consulted the FCO, who have in turn discussed with our Ambassador in Paris, Sir Reginald Hibbert, and his Minister, Mr. James, who has long experience of French politics. Their joint conclusion is that the French do not understand any distinction between "Government" and "Party". This may be tiresome of them, but it is unfortunately a fact. It follows from this, in their view, that President Giscard would take it much amiss if plans for the EDU dinner were to go ahead in their present form. No problem would arise if the dinner were to be hosted by, for example, Lord Thorneycroft with the Prime Minister as the guest of honour; and if it were to take place somewhere other than No. 10. The French clearly attach more importance to the question of who hosts the dinner, however, then to whether ~~it~~^{it} takes place.

As you know, the Prime Minister's personal relationship with President Giscard will be of very considerable importance to us during the coming months and until we have won satisfaction on the Community budget issue. I hope very much, therefore, that it may prove possible to change the present plan.

I have not yet had advice on Chancellor Schmidt's likely reaction: but I would expect him to be more relaxed than President Giscard.

Bm