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NOTE FOR RECORD

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Guadeloupe Summit

The Canadian High Commissioner called, at his own request, on Sir John Hunt at 5.00 pm on 11th January to be briefed on the Guadeloupe Summit. Mr. Martin was accompanied by Mr. Haynal of the High Commission.

Sir John Hunt told the High Commissioner that the Summit had stuck to the politico/security area originally envisaged. It had not strayed into economic and monetary matters, apart from touching briefly on OPEC oil prices and attendance at the Tokyo Economic Summit. The former subject had come up in the context of discussion of the Middle East and of the fact that Prince Fahd was shortly visiting Washington. President Carter had suggested that they should try to have the forthcoming oil price increases staggered. As regards the latter subject, Australia's wish to attend the Tokyo Summit had been touched on in the margins of the meeting. President Carter, Chancellor Schmidt and President Giscard had expressed themselves very strongly against Australian participation. The Prime Minister had simply said that we would go along with the consensus - which was clearly against.

Continuing, Sir John Hunt said that the Summit had started with a geopolitical discussion on the first morning between the Heads of Government without advisers. This had covered in particular the triangle of relations between China, the Soviet Union and the West. The leaders had noted the importance of China's emergence on the international stage. Whilst recognising the need to encourage this development, they were agreed on the need to avoid playing the China card. On the question of arms sales to China, the Prime Minister had made it clear that while the British Government had taken no firm decision to sell Harriers to China yet, they were ready to negotiate on the supply of Harriers to China provided this was in the context of a big trade package. Since the prospects for such a package now seemed much better there was a greater likelihood of selling Harriers. They would be the original Harrier, not the improved model; and it was of course a defensive weapon. The Prime Minister's statement of our position had attracted no criticism whatever from the

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In general, the leaders felt that the position as regards detente was rather more stable than was the case two or three years ago. But they also felt that there were major long-term question-marks: the Sino/Soviet problem, the succession to Brezhnev and the likely post-Brezhnev style of leadership in the Soviet Union etc.

Sir John Hunt went on to say that the second session of the talks, with advisers present, had been devoted to security matters. The leaders, including President Giscard, had agreed to give public support to the SALT II agreement. In response to Mr. Martin's question as to whether or not the European countries had expressed apprehension as to what SALT II really meant, Sir John Hunt said that some reservations had been expressed about the content of SALT II, but relating to decisions of previous United States Administrations e.g. concerning exclusion of the SS 20. The general feeling at Guadeloupe was that this Administration had negotiated as well as it could have, and that the SALT II that would emerge would be much better than no SALT agreement at all.

The leaders had also talked about SALT III, in particular the question of whether or not the negotiations should cover Grey Areas. The four Heads of Government had had a long and very good discussion, but no firm conclusions had been reached. This reflected partly the intellectual and technical complexity of the subject, but also the fact that there was no immediate urgency for decisions given that it would be some time before SALT II was ratified and negotiations on SALT III started. However everyone had accepted that SALT III would bear more on direct European interests and would therefore require much closer consultation. In particular if SALT III was to cover the SS 20s it would be necessary to consider what bargaining cards might be available. In theory these might include limits on the United Kingdom or French deterrents, or on a modernised Grey Area NATO system including cruise missiles. President Carter had been very forthcoming in making it clear that he wished to know what the Europeans thought about all this, but no agreed European position had been reached. President Giscard had made it clear that France would not put its deterrent into the negotiations. The Prime Minister had explained our view that for SALT III to cover SS 20s would be a prize well worth having, but given that the West had very few cards to play in return this complex of issues would need very careful consideration.

The High Commissioner asked Sir John Hunt whether the Heads of Government had not felt that SALT involved the other European and NATO countries. Indeed he had seen Press reports that some of the other European countries were not very happy about the Guadeloupe meeting. Sir John Hunt replied that of course the Heads of Government were aware that the interests of other countries were involved. The four had not regarded themselves as a directorate. There would certainly have to be detailed Alliance consultation as SALT III drew nearer. But it could not be denied that the United Kingdom and France, as the two European nuclear powers, and the Federal Republic, as the potential battleground, had a particular interest.

Continuing his account of the Summit, Sir John Hunt said that the leaders had then discussed MBFR and the French proposals for a European Disarmament Conference (EDC). They all shared the wish to make progress in conventional arms limitation. President Giscard had made much of his EDC proposal: others had tended to want to see more progress on MBFR. The reservations expressed about the EDC had been that it would risk throwing away such progress as had been made in the MBFR talks; that it would involve 35 countries and would therefore be very cumbersome; and that it was asking a very great deal of the Soviets. On the other hand, Chancellor Schmidt had emphasised this as the main argument in favour of the EDC, the French proposal could be regarded as a clear signal that France wanted to return to discussion of arms control matters.

Finally Sir John Hunt said that the third session of the talks had been devoted to flashpoints e.g. Iran, Turkey, Rhodesia, refugees from Vietnam, and Pakistan, which had been briefly reviewed by the Heads of Government. President Carter had made it clear that suggestions that the United States Government was thinking of disengaging from the Anglo/American proposals on Rhodesia were totally untrue.

In response to the High Commissioner's question as to whether or not there had been any agreement that the Summit would be repeated or any suggestion that it would be institutionalised, Sir John Hunt said that there had been no agreement about a further Summit, though the four had considered this one very worthwhile. There was certainly no question of any institutionalisation.

M. J. VILE

15th January, 1979

M. J. VILE