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MR R T ARMSTRONG

c Sir John Hunt

COPENHAGEN SUMMIT: BRIEFING MEETING 12 DECEMBER

At his briefing meeting tomorrow I suggest that the Prime Minister should cover the following ground, which I have discussed with my Treasury, FCO and DTI colleagues.

The Central Issue of Energy

2. At an earlier discussion last week, the Prime Minister was inclined to the view that there would be advantage at Copenhagen in his speaking early (perhaps first) on the principal issue of concern to the Summit - the energy crisis in all its aspects. This approach:-

a. would enable the Prime Minister to give a lead on the way in which he and his colleagues should approach, in a balanced way, the major political and economic factors governing the present crisis, thus helping the Danish chairman to get the discussion off on the right foot.

b. would offer the opportunity of removing at the outset any misunderstanding about Britain's position and attitude, thus pre-empting any challenge to ourselves by any of our partners;

c. would certainly be welcomed by some of our partners (eg Germans and the Italians).

3. The Prime Minister might open the meeting by considering the following questions:-

a. in the light of the discussion in ES, and of agreement there that we should maintain our room for manoeuvre at the Summit, should the Prime Minister adopt a different tactical approach?




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- b. in particular: -
- i. if it will still be best for him to speak as early as possible, should he confine his initial intervention to a statement of his view of the aspects of the issue to be covered; of the priority to be attached to those aspects; and of the major features of Britain's energy situation? Or
  - ii. if the advantage is considered to lie in letting other Heads of Government make the running, at what stage will it be best for the Prime Minister to intervene?

In considering these questions, the Prime Minister should ask about the latest information on the position of other Heads of Government (eg the conversation in Brussels between the Foreign and Commonwealth Secretary and M. Jobert).

4. Whatever tactics are adopted, the Prime Minister will need to explain as clearly as possible our own approach to the principal aspects of the energy issue. These aspects are as follows: -
- a. political action in relation to the Arab States - both short term and (political and economic links) longer term: see paragraph 5 below on short-term action: it may not be too difficult for the Summit to agree about longer-term policy;
  - b. Community co-operation in the oil supply crisis: this seems to be the most difficult question for the Summit; our own approach must take account of whatever further restrictive measures we may be announcing in the next few days.
  - c. the economic impact of the oil situation on the Community - the problems of inflation and dangers of recession; in this context there is the question of seeking a more forthcoming attitude from some of our partners over monetary reserves;
  - d. future Community energy policy, in particular the development of alternative sources of energy: the Summit should be able to agree fairly easily on their broad handling of this aspect.





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5. All these aspects raise a number of points to be discussed before a coherent speaking note can be drafted. I attach as Annex A a note which I suggest that the Prime Minister should use as a basis of discussion at the briefing meeting. The briefs can then be finalised and (if this will be useful - see the paragraph below) the appropriate confidential conclusion drafted in the light of the discussion. I attach as Annex B a passage for the confidential conclusions relating to immediate action arising from a. above - on lines broadly discussed at the Prime Minister's meeting last week.

Further Preparations for Copenhagen

6. The main points are these:-
- a. our latest information is that the French are contemplating a fairly major initiative of their own on how the Summit should reach agreement on the energy issue. We may know more about this before the briefing meeting. In view of it, and of the outcome of ES, it is not practicable to draft any personal message to the President (or to any other Community Head of Government). It may be best to drop the idea of personal messages, on top of the lobbying action already taken. Does the Prime Minister agree?
  - b. We have heard that the Danes are preparing for their own use a draft of confidential conclusions. Since we have judged it important to do what we can to influence their thinking in a helpful way, action has now been taken to send the attached copy of our own draft (Annex C). Paragraph 11 about inflation has already been revised to take account of a Treasury suggestion. We shall retain our own room for manoeuvre in relation to the Danish draft. Can we take any further action at this stage - in particular in relation to the Middle East and energy which are excluded from Annex C?
  - c. What action in advance of the meeting should be taken with the Press? For example, should arrangements be made to give some guidance to the correspondents in Copenhagen before the Summit opens?
  - d. Are there any other points to be raised on this subject on the Steering Brief or other briefs already circulated?



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Arrangements at Copenhagen

7. At the end of the meeting the Prime Minister should ask whether there are any points that need to be discussed about practical arrangements at Copenhagen - for example, the organisation of a final briefing meeting at the Embassy on the morning of 14 December.

8. I am sending copies of this minute to those who have been invited to attend the briefing meeting.

*P. D. N.*  
P D NAIRNE

11 December 1973



ENERGY IN THE COMMUNITY

## TALKING POINTS FOR THE PRIME MINISTER'S BRIEF

A PRESENT POSITION - BRITAIN AND COMMUNITY

- 1 Discriminatory impact of the Arab policy - to a considerable extent offset by diversion of non-Arab oil within the Community. Problem of clarifying facts of the situation.
- 2 Concerned that Arab designated oil should reach us. But also anxious to avoid hurting our partners - we are not obstructing intra-Community trade. Decision on specific licensing: to afford comprehensive statistical information of the kind other Governments have.
- 3 We understand role of the oil companies; and we are not obstructing the system of allocation which they are now operating.
- 4 Gravity of the situation. Economies threatened by inflationary price rises, falling production, unemployment and stagnation. Real danger of recession throughout the Community. Special energy problems facing the United Kingdom (coal; power stations).
- 5 United Kingdom measures of restraint, at least as severe as anywhere else in the Community. First to circulate ration books for petrol and to impose restrictions on use of electricity. Restriction on supplies of oil, including oil for transport.
- 6 No member state can be insulated from the crisis. Our economies interdependent, both in law and in practice. Serious difficulties in one member state will rapidly be reflected in others. Solidarity on energy inseparable from solidarity on economic consequences.



### SHORT-TERM CO-OPERATION ON OIL

- 12 In short term, continue to rest on the informal arrangements that already prevail. Certain specific measures might be considered on lines of Commission proposals [not yet available], for example -
- a harmonisation of national measures to restrain consumption of oil,
  - b arrangements for confidential exchange of information, including prices,
  - c assessment of effects of oil cut-back,
  - d consumer co-operation on pricing.

### ECONOMIC IMPACT

- 13 Major task for economic and financial institutions of Community.. Scope for joint consultation and perhaps action - relating to inflation and danger of recession.
- 14 Co-operation on oil supplies to be matched by greater co-operation on monetary reserves.

### FUTURE COMMUNITY ENERGY POLICY

- 15 Mobilise Community resources to reduce its dependence on Arab oil; eg rapid development of alternative sources of energy such as nuclear power and coal, including gasification; research and development (eg on residual heat from power stations and deep-sea drilling); and energy conservation.
- 16 Meeting of Energy Ministers [Spring 1974?]  
Revised guidelines required from Commission as a basis for Community study - to cover oil; coal; gas; nuclear power; reactor design; uranium enrichment.