

had mentioned of the speaking card being passed on to another speaker was a possibility but only, in his view, for the Commissions.

The meeting adjourned for lunch at about 3.00 pm.

The remainder of the record of the discussion of CIEC has been transcribed from the Foreign and Commonwealth Secretary's notes<sup>7</sup>.

When the meeting resumed in Open Session at 16.30 with Prime Ministers and Foreign Ministers both present Mr Wilson drew the attention of the meeting to the precedent of the practice followed in the GATT. He pointed out that the GATT Consultative Group of 18 had met for the first time in Geneva the previous week of 24/25 November. In effect this was a steering group for the conduct of GATT affairs and the exchange of information at senior level. Its membership was composed of 7 developed countries - the EEC counting as one, the socialist developing country Poland and 10 developing countries. The setting up of this group (made necessary by the great expansion in GATT membership, now 83, and the need for some compact managing body) had been preceded by a long debate inside the Community on how the Community should be represented. The French had argued - at great length - that it would not be sufficient for the community to be represented as she wished in GATT matters by the Commission. Instead France wanted a separate seat. The French had argued that although it was true that under Article 113 of the Treaty of Rome "the Commission shall conduct negotiations with other countries ... within the framework of such directives as the Council may issue to it", matters would arise in informal high level discussions of world trade which would not fall entirely within Article 113 - eg the influence of capital movements and monetary measures on trade. So the French had pressed for a separate voice for France.

Mr Wilson went on to say that what had finally been agreed had been that the Community should appear in the Consultative Group as one, that the Commission would normally speak for the Community within the framework of the Common Commercial Policy as under Article 113. But that individual member states would also be present, each behind a national card and with a microphone and would be able

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to speak on matters not covered by Article 113 such as energy and where they felt that their interests were not adequately covered by whatever Community mandate had been established. Mr Wilson pointed out that at the first meeting of the Consultative Group at Geneva on 24/25 November individual states all had seats at the Commission table - in effect taking up one side of a large rectangle. For the most part the Commission had spoken for the Community. But the French delegate had raised his card and spoke in his own right at the beginning of the meeting. No other member state had found it necessary during the meeting to speak in its own right - but all of them had the right to do so. The presence of the Community in this fashion had therefore been accepted (although with a little grumbling) by the 10 developing countries who were members of the group.

Mr Wilson said that this therefore seemed a sensible precedent for Community representation at a very wide-ranging conference where no Community competence had been specifically laid down under the Treaty, as under Article 113. He thought that the Presidency could normally speak for the Community on the basis of an agreed mandate. But where any member state felt that its interests were not fully covered it could raise its card and speak its own right - naturally giving the Presidency where possible notice in advance of its intention and broadly speaking what it had in mind to say.

He went on to ask on what basis the Community was represented and he answered his other question by saying that in the GATT the Community had negotiated as one through the Commission and on the basis of Article 113. The method of representation in the Consultative Committee was devised to meet a situation where discussion would range widely just as it would be likely to do within CIEC. Mr Wilson went on to say that the Community counted as one in the GATT Consultative Group but the developing countries there had accepted that at the present stage of development of the Community and in their wide ranging discussions it would be of positive general advantage for member states to be able to speak from time to time to deal with particular situations where they had a special contribution to make.

/ President



President Giscard said that he found the British insistence on this question 'somewhat irritating'. The situation in the GATT where all the members of the Community were contracting parties but where the Commission representatives spoke on behalf of the Community since most questions lay within Community competence, was not a parallel to the situation at the CIEC. For instance, the question of the influence of capital movements on trade presented special problems. He turned to practical arrangements and asked what countries the UK proposed should be added to the Conference. Did Mr Wilson wish to add the UK? If so, they would need to consider this request.

Mr Wilson said that he did not accept that GATT was a special case because the members of the Community were contracting parties to the agreement. He thought that it was wrong to look at these questions too theologially - if necessary he would produce the Attorney General and the Archbishop of Canterbury to argue his case. The plain truth was that we wanted to maintain our case to be one of the five countries represented. We recognised that our request had met with a certain resistance, not only on the part of France [President Giscard intervened "but mainly by France"] but we were anxious to maintain Community solidarity at the Conference. If the Community could now say that they agreed to the British request we should do our best to maintain this solidarity. If the Community were to say "no" we should have to accept their decision but we should then need to see whether we could resolve our problems harmoniously.

Chancellor Schmidt said that so far as the GATT example was concerned he understood that the French delegate had spoken once only, because of the irritation which his intervention had caused to the other Community participants. It seemed to him that they had now agreed that the Community should be represented by the Commission assisted by a Committee/Delegation of experts. This arrangement would apply both to the Plenary Session and to the meetings of the Commissions. In the Commissions the Community spokesman should be chosen by the country at that time holding the presidency. From time to time it might be necessary to change



or to adapt the mandate and this would give the members of the Council the right to influence the way in which it was changed. The only question which remained to be settled was in what conditions a national representative in the Presidency team could speak. He obviously could not speak in violation of the Community mandate. He would be interested to know how it would be arranged that the member State representative could speak at the opening and closing sessions.

Mr Joergensen said that Mr Wilson's proposal was a good basis for a settlement which would enable more precise proposals to be formulated. Mr Wilson explained that the additional national representative would not say anything which would go against the Community mandate and he would need to inform the Community Chairman beforehand of what he had in mind to say. Sig Rumor attempted to sum up:

- (i) the Community would have one representative only;
- (ii) seated beside the Community spokesman would be a Committee of experts;
- (iii) the President of the Council would act as spokesman for the Community;
- (iv) the mandate could be changed at the request of one or more members to take account of their views;
- (v) the Presidency could entrust to one of the Nine the mandate to speak on behalf of the Community or could permit him to speak on his own behalf provided that he did not speak against the Community mandate. The procedure could be applied even in the Ministerial Conference.

President Ortoli said that this procedure should apply in the Commissions where anyone could speak after consultation with the Chairman either on behalf of the Community position or in his own interest provided that this did not go against the Community mandate. Mr Wilson said that it would be no derogation from the authority of the Community if an individual member were to speak at the invitation of the Presidency. It would obviously be wrong to speak against the mandate (there could only be a mandate if there had been prior agreement among the Nine to have one).

/ Mr Wilson



Mr Wilson turned to questions of substance. He argued that the energy mandate should now be completed and it should include a commitment to a minimum selling price and that there should be agreements on emergency oil sharing. Chancellor Schmidt said that both MSP and emergency sharing were necessary but the CIEC was not the place for bargaining about them. He thought that it essential that there should be prior agreement on these issues in the Community in order to resist blackmail and diversive tactics during the Conference. So far as MSP was concerned he thought that the right figure would be \$7. Mr Wilson said that the figure ought to be \$7.50. The figure did not have to be put in the mandate but it was essential that it should be agreed on. He reverted to the question of the right to speak at the ministerial meeting and said that this was an essential point for the UK. Sig Moro said that he understood that there was a commitment in the European Council on MSP and emergency sharing. Mr Wilson said that he assumed that the energy mandate would include MSP. Emergency sharing, on the other hand, was not something which was to be negotiated with the other participants in the Conference and need not therefore be explicitly in the mandate.

There was then a general discussion on the protection and development of alternative sources of energy before the meeting turned to consider a draft text proposed by the Presidency. [This formed the basis of the text finally agreed - copy attached]. The discussion of the text centered on the precise wording of the passage on the right to speak, the outcome of which, together with informal consultations during an adjournment, was that the President of the Community Delegation should be able to invite two Community countries to present additional statements in the light of their experience and in accordance with the mandates approved by the Community. The two countries could be Luxembourg, as the next country holding the Presidency, and the United Kingdom.

Once the text had been agreed there was a brief discussion of which additional five countries should be chosen to participate. Mr Joergensen supported Sweden and Greece and President Giscard Spain. Mr Tindemans could agree with the suggestion of Canada and Sweden but suggested that the decision as between Spain and Greece should be negotiated in OECD (President Giscard disagreed).

/ Mr Cosgrave



Mr Cosgrave supported Spain and Sweden and Sig Moro said that he would prefer Greece but would go along with the majority if they supported Spain. Mr Callaghan said that as between Spain and Greece he supported Greece.

The final agreement was that the five countries should be:

- Canada (to be Co-Chairman)
- Australia
- Switzerland
- Sweden
- Spain

The final agreement was that the five countries should be: Canada (to be Co-Chairman), Australia, Switzerland, Sweden, Spain. The agreement also included provisions for maintaining public order, for counteracting terrorism (including persons), for counteracting hijacking of aircraft. There was general agreement that this proposal should be pursued, and it was also agreed that Ministers of the Interior, or their equivalents, should be invited to pursue the question of a Passport Union. President Nixon suggested that there should also be some discussion on a common attitude towards the countries of origin, but pointed out that this question in Greece was the responsibility of the Minister of Justice. It was agreed that the Ministers of the Interior might be invited to include appropriate Ministers to take this as a broad issue for discussion, or that it might be pursued separately by Ministers of Justice or their equivalents.



The record of the following two items has been transcribed from the Prime Minister's notes

PROPOSED MEETING OF COMMUNITY MINISTERS OF THE INTERIOR

During lunch Mr Wilson referred to a proposal which the British Government believed could provide a useful basis for closer co-operation and consultation between Ministers of the Interior (or Ministers with similar responsibilities) on matters arising in the field of their responsibilities for maintaining public order, such as the development of technological aids in support of police operations and measures for countering terrorism (including perhaps the hi-jacking of aircraft). There was general agreement that this proposal should be pursued, and it was also agreed that Ministers of the Interior, or their equivalents, should be invited to pursue the question of a Passport Union. President Giscard suggested that there should also be some discussion on a common attitude towards the granting of asylum, but pointed out that this question in France was the responsibility of the Minister of Justice. It was agreed that the meetings of Ministers of the Interior might be expanded to include appropriate Ministers to take this as a third idea for discussion, or that it might be pursued separately by Ministers of Justice or their equivalents.

There was also a discussion about textiles and footwear, particularly in so far as imports from low cost producers were concerned. Mr Wilson found that these present special very relaxed rules, since they were evidently thinking along the same lines as ourselves. So far as textiles were concerned, there was reference to the existence of the GATT plurifiber agreement.

In general, other Heads of Government expressed concern that the liberalization of import controls might lead to retaliatory restrictions by non-EEC governments in areas in which EEC Members had an interest, such as machine tools.



IMPORT CONTROLS

Mr Wilson was pressed about the United Kingdom's intentions in respect of import controls, and he said that we were still considering our position. In the case of cars, a decision would depend on the fate of Chrysler operations in Great Britain. He told his colleagues that he did not think that the question of import controls in this sector would arise unless Chrysler went into complete liquidation and we then had to prevent import penetration from mopping up that percentage of the market. Mr Ortoli (President of the Commission) was very tough, and all other Heads of Government said that restraints on car imports into the United Kingdom would be most difficult for them.

Mr Wilson went on to refer to the problems facing the television tube industry and the possible need to give it some protection. He drew a distinction between restrictions on the type of television tubes at present being manufactured in the United Kingdom, on which there appeared to be no great opposition from his colleagues; and restrictions on the type of television tubes not currently being manufactured in the United Kingdom, which would evidently be strongly resisted.

There was also a discussion about textiles and footwear, particularly in so far as imports from low cost producers were concerned. Mr Wilson found that those present seemed very relaxed on this, since they were evidently thinking along the same lines as ourselves. So far as textiles were concerned, there was reference to the existence of the GATT Multifibre Agreement.

In general, other Heads of Government expressed concern that the imposition of import controls might lead to retaliatory restrictions by non-EEC Governments in areas in which EEC Members had an interest, such as machine tools.