

MEETING OF THE EUROPEAN COUNCIL, ROME, 1/2 DECEMBER

The remaining section of the record of discussion is now attached.

This was held up for a few days in order to resolve problems over the marrying up of the different records.

European Integration
Department (Internal)

9 December 1975

DISTRIBUTION

TO ENTER:

EID (I)

Private Secretary

PS Mr Ennals

PS Mr Hattersley

PS Mr Rowlands

PS Lord Goronwy-Roberts

PS PUS

Mr Campbell

Mr Statham

Mr Butler

Mr Wilton

Mr Mason

Energy Department

FRD

N&TD (Passport Union)

No 10 Downing Street

PS to Chancellor of the Exchequer

Cabinet Office:

Sir J Hunt

Mr G R Denman

Mr D L Pearson

PS to Home Secretary

EEC Posts

UKMIS Geneva

Washington

CONFERENCE ON INTERNATIONAL ECONOMIC CO-OPERATION

After a brief introduction by Sig Moro in which he referred to the issues in the mandates which had yet to be settled, President Giscard said that as the host and technical chairman France had the responsibility for procedural questions. On 27 November they had received from the 77 developing countries a list of the countries which they would like to represent them, drawn up following a vote. The 77 had gone on to ask for two additional points to be on the agenda:

- (a) the enlargement of the CIEC;
- (b) the admission of inter-governmental bodies as observers.

He did not feel that it was right for the European Council to consider these questions during their meeting. The next step was for the US, Japan and the European Community to nominate five additional industrial participants. He thought that they might be from among: Canada, Australia, Switzerland (as a neutral although there was some support for Austria), Norway/Sweden and from the Mediterranean, Spain or Greece. Would the European Community be prepared, through the President of the Council, to propose these participants? He thought that they might also usefully exchange views during their meeting on who might be the co-chairmen on the industrial side. He understood that Venezuela had been nominated by the Group of 77. In his view the Canadians would be a good choice on the industrial side.

Chancellor Schmidt referred to the need for the dialogue to take place between the developed and the developing world as a means of overcoming the present economic crisis and of reaching a compromise between the main groups of participants. He commented that the

Oil Exporting Countries had a strong position in these negotiations because they had a common policy. Unfortunately the Western industrialised countries were not agreed between themselves though it was true that interests differed between one country and another, particularly in the energy field. During the energy crisis of 1973/74 Denmark and Holland had been saved from disaster not by Community action (since there was no common policy) but by that of the multinational oil companies. He could not sufficiently underline nor over-dramatise the need for a common energy policy in Europe.

Mr Wilson said that he would speak frankly. The CIEC was likely to develop into a wide-ranging dialogue or triologue. Its coverage and direction were unpredictable. So far as procedures for the Conference were concerned the French President had made it clear that he had taken the decisions on his own authority. On substance the Community's preparations had been perfunctory and the draft mandate was superficial. All the serious preparatory work on energy questions had been carried out in the IEA. He thought that the CIEC might well lead to a continuing dialogue on the supply and price of oil. The IEA had a credible scheme for sharing supplies in an emergency and was about to conclude an agreement on a minimum safeguard price (MSP) as part of its co-operative programme for the development of alternative energy sources. But the Community had not undertaken an equal amount of work in parallel. The Community had not been permitted to agree to a Community MSP scheme and work in the IEA was impeded by the lack of freedom of action of the 8 Community participants. If the Community were to show solidarity in the CIEC an essential prerequisite was prior solidarity on the substance of consumer co-operation. On the non-energy subjects we had been encouraged by what had happened at the 7th Special Session to believe that it might be possible to reach satisfactory agreed positions. Our own proposals which had been put forward originally at Kingston would occupy the central part of the stage at Nairobi. The Community's position would of course have to take account of developments as the CIEC proceeded. A good deal of work would need to be done and as a question of principle we considered that on non-energy subjects it was desirable that before negotiating in the dialogue the

/ Community

Community should reach an understanding that it would resist anything which might cut across work which other more appropriate technical fora were already engaged upon or which they might suitably undertake. Unless all this could be settled we faced a very serious position.

The UN was already an oil producer. We believed that this would lead to a balance of payments improvement in 1976 alone of £700 million. The US was not self-supporting in oil. We should be. £18 billion was invested in the extraction of oil from the North Sea. We should be producing more than most of the Gulf States. Our production in 1980 would represent 90% of Europe's oil and 45% of Europe's total energy production. Our reserves in the North Sea were worth \$400 billion, 50% greater than all off-shore oil in the US including Alaska. We feel that the Community should have a common position on MSP and on emergency sharing.

Mr Wilson thought that it would be reasonable for the European Community to be represented at the CIEC where there was agreement. He hoped that it would be possible to have agreement. However, if the UK were not present at the Conference we could not be bound by any decisions taken at it. If we were spurned we, as an oil producer, should be faced with difficult questions. If other countries could look after their interests then so could we. We were already receiving approaches from overseas interests and we should have to be free to consider where our own interests lay. At present there was no coherent mandate and what there was was shallow and superficial. It struck him that the Community was a long way from reaching agreement on anything of serious substance.

Mr Thorn said that he very much agreed with the sentiments expressed by Chancellor Schmidt. The question of representation at the CIEC was a test of the credibility of the European Community.

Turning to the detailed suggestions by President Giscard he said that he would prefer Norway to Sweden as a producer country. He thought that Switzerland would be a good choice.

President Giscard took up Mr Wilson's remarks about procedure. He said that the European Community had in practice taken the decision. Mr Wilson had been informed of what was proposed both by the Presidency and by diplomatic means. The CIEC was not just a

Petroleum Conference, but a Conference concerned with a wide range of general topics. Several oil producers would not be participants and the production of oil was not a necessary criterion for selection. He went on to ask that the list of industrialised countries should be decided during the meeting. Mr Wilson said that he accepted that the French Government had taken their Community partners into their confidence over whatever procedural arrangements they had decided to institute. Accordingly, it was no doubt true to say that he had been informed.

Chancellor Schmidt said, speaking at times with considerable warmth, that if the United Kingdom were represented he would oppose the selection of Canada as Chairman and of Norway as a member. He was not prepared to hand over the fate of the industrialised countries to oil producers. He went on to say that MSP was purely a matter of prestige dictated by intellectuals who had no ideas of true economics. MSP was an artificial problem and the need for it would only arise if OPEC were to collapse. He said that the Community had gone to great efforts to make it possible for Mr Wilson and Mr Callaghan to make a success of renegotiation. The FRG would do everything that it could to make a common position for the CIEC possible. However the Community was now at a cross-roads and its members must do what they could to prevent the Community from falling apart. (One aspect of this was not to increase the temperature by the use of intemperate language outside the meeting.) He went on to say that the United Kingdom would be in serious balance of payments difficulties for the next two or three years. During this period the FRG and the Community would be prepared to help. He hoped that in 1980 the United Kingdom would be prepared to help them. He was broad-minded (despite attacks on him which he had seen in the Italian Press he would also help Italy in the future). He thought that the United Kingdom would ultimately emerge as an economically strong country because of its innate stubbornness but this would not happen just yet. Moreover, if the United Kingdom were to go it alone, as the weakest economy in the Community, it would be in trouble. This was a question of life and death for the Community but the FRG was determined to make every effort possible. They were in a very strong economic situation. Their reserves were as much as those of France, the Soviet Union and the United States

put together. So long as he was Chancellor German economic strength would not be used for selfish national ends but it was always worth remembering that he could so use it. If everyone chose to paddle his own canoe the Germans could do so too. He asked why it was not possible to reach a common decision on energy matters.

President Ortoli said reassuringly that it had been more difficult to put together the Common Agricultural Policy than it should be now to get agreement on an Energy Mandate.

Mr den Uyl said that he thought it was important for the Community to speak and act as one. He had been sorry to hear Mr Wilson's emphasis on the United Kingdom's role as an oil producer. After all, the Netherlands would export very substantial quantities of natural gas for many years to come. The dialogue with the developing countries could not be delayed. He most earnestly advised his British friends to accept the need for Community representation.

M Tindemans said that this was the last chance to find an acceptable compromise. As the representative of a small country he insisted that all his colleagues should find one.

Sig Rumor stressed the need to find a compromise. He did not attach much importance to the question of MSP but he thought that they must find some way of recognising the special position of the United Kingdom.

Mr Cosgrave said that he shared the general concern about the situation in which they found themselves. He sympathised with the special position of the United Kingdom but he thought that the United Kingdom interest could be taken into account within an agreed mandate.

Chancellor Schmidt then raised a point of order. He asked that the meeting should continue with only Heads of Government present so that they could have a completely confidential discussion. At this point all Foreign Ministers, interpreters and others left and the Heads of Government adjourned to another room.

/ /The

The following passage has been transcribed from the Prime Ministers notes⁷.

Mr Wilson said that it should be possible for his colleagues to reach agreement on representation at CIEC given a satisfactory Common Mandate, including an agreement on a Minimum Safeguard Price, and suitable back-up on the question of sharing supplies in an emergency. We could accept a situation where the Presidency was the main speaker for the Community both in plenary session and in the Commissions, but where a special or different interest for any particular member was involved the speaking card might be temporarily "lent" to that member country's representative. This would have to be with the President's agreement, and we would not envisage it as either a regular or a frequent occurrence. This would only apply in situations where the Mandate was not contradictory to the line taken by any individual member.

Chancellor Schmidt, who was generally helpful in supporting Mr Wilson's case, said that there might be a precedent in the meetings of Governors of the IMF. President Giscard said that this arrangement had failed in the Group of Twenty, when others had spoken. He said that we might find ourselves in a situation like that of an orchestra in which the individual players insisted on playing different tunes. He quoted Section 3 of Article 113 of the Treaty of Rome, translating from the French text, to support his case for the Community's having one spokesman. Mr Joop den Uyl said that he could agree to the idea of having a Committee of representatives of the Member States present, but only in a situation where the Presidency would be the only speaker. Chancellor Schmidt argued that special procedures could be adopted when they were at the specific request of a member country. Mr Joop den Uyl said that this applied only to representation by experts, and not to meetings at which Foreign Ministers were present. He wondered whether the UK would be satisfied with the chairmanship of one of the Commissions, perhaps Energy?

President Giscard (who on this point was supported by Chancellor Schmidt) said that he was against an arrangement whereby the Chairman of the Commissions were drawn wholly or primarily from the ranks of the oil producers. The idea which the Prime Minister

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 notes⁷.

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

/ to

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

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
- 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 creation of a Passport Union. Franklin D. Roosevelt suggested that there should also be some discussion on a common attitude towards the granting of visas, but pointed out that this matter 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 well as visa 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 the east-producers were concerned. Mr Wilson found that these producers were 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 Multilateral Agreement.

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

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.

The meeting resumed at 1100 hours on Tuesday,
2 December.

Direct Elections (continued)

Mr Wilson said that there had been talk of having European elections on a fixed day and that that might be a Sunday. We could not agree to this. He would prefer the election period to be spread over a week as was the case in the UK for local authority elections.

President Giscard, subsequently supported by Messrs Cosgrave and Thorn, asked for agreement that a single day for direct elections should be established in 1978. It should not be a Sunday and he would prefer the date to be in May or June. Mr Joergensen said that the Danes would set themselves the aim of achieving direct elections in 1978 but it was essential that the form of these elections should be left to decision by the National Parliament.

Mr Wilson said that the Government would do their best to be ready as soon as possible. So far as the date was concerned there were a number of complications such as Spring Bank holidays, Easter, etc. which needed to be taken into account. He would be prepared to see the other members of the Community go ahead with their arrangements if there were a derogation for Denmark and the UK. He thought it might be useful to link the timing of elections with that of local authority elections.

Mr Den Uyl said that it would be a matter for regret if the UK and Denmark were not able to introduce direct elections in 1978. He too could not agree to the choice of a Sunday. He thought that the date of voting should be flexible within a band of a few days but the electoral count should be simultaneous.

Mr Tindemans suggested that if any member states were not able to agree to establishing elections on a common date, they should appoint their members for the full term of the

European Parliament in order to avoid a situation where, within the Community, elections to the Assembly were staggered over a lengthy period.

S. Moro attempted to sum up and suggested that there was a considerable majority for fixing the date of elections on a single day sometime in May or June 1978 but it was clear that there would need to be a derogation for the UK and Denmark to make their own arrangements. He was challenged by Mr Den Uyl who had not yet decided if he could accept a derogation for the UK and Denmark. He urged the Council to continue its efforts, even if this meant postponing a decision until the next meeting of the European Council in March, because he would find it very disappointing if the UK and Denmark were to be able to go their own way.

S. Moro said that he hoped that when the time came the UK and Denmark would have found themselves able to participate. He thought that they should try to settle on a majority view to which, it might be hoped, the remainder could align themselves.

President Giscard said that the Danish reservation was a matter of principle. The UK's reservation, however, was not one of principle but of practice and it was important to note the difference between the two cases.

S. Moro said that this showed that the Danish reservation was stronger than that of the UK.

Chancellor Schmidt suggested that the Foreign Ministers should look again at the problem of distribution of seats in the Assembly. He repeated what he had said the day before that ways and means ought to be found to ensure the participation of first-rate members of national parliaments in important debates in the Assembly without their holding seats in it. He thought there might be some mechanism for alternates or for participants who could speak but not vote.

S. Moro said that these questions should be studied by the Foreign Ministers Council who should report to the European Council in March.

Report on European Union by Mr Tindemans

Mr Tindemans said that he would prefer not to set out the substance of what was likely to be in his report during this meeting. However, he could say that the general structure would be:

- a. What common activities and policies does European Union imply (this should take account of the possibilities of using Article 236)? Should European Union comprehend defence, foreign affairs, security? Was economic and monetary union an integral part of European Union?
- b. What was the role of the European Assembly and the other existing institutions?
- c. What were the final aims of European Union? In his view the date on which European Union was established would not represent the final stage of the enterprise to which everyone was contributing but it would be a very important stage.

Mr Tindemans went on to say that all political parties in the European Community with the exception of the French Communist Party (but not the Italian Communist Party who were in favour of an autonomous Europe and who were also in favour of direct elections), had accepted his invitation to discuss the meaning of European Union with him. During his talks he had found that two subjects, unemployment and inflation, were consistently referred to together with related topics such as social policy, energy policy and foreign relations. He had found that the common political will existed to make serious progress possible, particularly in the economic sector. His report would, he knew, disappoint the great majority who were in favour of substantial progress in the construction of Europe but he had thought it best to face political reality. He did not intend to be over-ambitious and to risk jeopardising the credibility of his efforts; public opinion was sceptical because there had been so many past disappointments. What was essential was to restore vigour and dynamism to the construction of Europe. Mr Tindemans then

/continued

continued to sketch out in somewhat prolix terms the philosophical and practical bases on which he had been undertaking his task.⁷

Mr Wilson enquired whether, when he published his report, Mr Tindemans would also publish the written evidence which he had received and/or the oral evidence either in summary or in full. Mr Tindemans said that he had been asked to take other reports into consideration when drawing up his own, but his would be a personal report (i.e. unaccompanied by the evidence).

Passport Union

S. Moro suggested that there should be a short discussion of Passport Union and that they should see whether the date of 1978 could be fixed for its introduction.

Mr Wilson said that so far as the UK was concerned there were no technical obstacles to the introduction of an EEC style passport and that we should be prepared in principle to agree to its introduction. However, the UK would not wish to introduce the new passport before new nationality legislation which had been projected came into force. It was not possible to say when this would be but he hoped it might be before 1980. He drew attention to the number of technical matters which remained to be resolved, as indicated in the Presidency note covering the Council's report. These matters ought to be remitted back to the Council of Foreign Ministers for further study. The report itself had given some indication of the difficulties inherent in the abolition of frontier controls. The study of these problems should continue, but meanwhile we could not agree to abolition of controls.

S. Rumor said that he fully understood that further work was needed but he thought all the same that establishing a common passport from 1978 was an important symbolic act.

President Giscard suggested that the Passport Union should be introduced progressively from 1978 onwards. Meanwhile the detailed problems involved should be studied further, for consideration again by the European Council before the end of 1976.



PRIME MINISTER

Searns
011 66we
thePrime Minister

Since the attached was
 transmitted from your notes
 (behind), I should be very
 grateful if you could glance
 at it and let me know if
 you have any additions or
 amendments.

Th
 4/12

F₂₀ informed. pa

Th
 8/12

B. R.
CONFIDENTIAL

After the Heads of Government had moved to a separate room for a meeting without other Ministers or officials present, the Prime Minister said that it should be possible for his colleagues to reach agreement on representation at CIEC given a satisfactory Common Mandate, including an agreement on a Minimum Safeguard Price, and suitable back-up on the question of sharing supplies in an emergency. We could accept a situation where the Presidency was the main speaker for the Community both in plenary session and in the Commissions, but where a special or different interest for any particular member was involved the speaking card might be temporarily "lent" to that member country's representative. This would have to be with the President's agreement, and we would not envisage it as either a regular or a frequent occurrence. This would only apply in situations where the Mandate was not contradictory to the line taken by any individual member.

Chancellor Schmidt, who was generally helpful in supporting the Prime Minister's case, said that there might be a precedent in the meetings of Governors of the IMF. President Giscard said that this arrangement had failed in the Group of Twenty, when others had spoken. He said that we might find ourselves in a situation like that of an orchestra in which the individual players insisted on playing different tunes. He quoted Section 3 of Article 113 of the Rome Treaty, translating from the French text, to support his case for the Community having one voice. Mr. Joop den Uyl said that he could agree to the idea of having a Committee of representatives of member states present, but only in a situation where the Presidency would be the only speaker. Chancellor Schmidt argued that special procedures could be adopted when they were at the specific request of a member country. Mr. Joop den Uyl said that this applied only to representation by experts, and not to meetings at which Foreign Ministers were present. He wondered whether the U.K. would be satisfied with the chairmanship of one of the Commissions, perhaps Energy? President Giscard (who on this point was supported by

/Chancellor Schmidt

CONFIDENTIAL

Chancellor Schmidt) said that he was against an arrangement whereby the Chairmen of the Commissions were drawn wholly or primarily from the ranks of the oil producers. The idea which the Prime Minister 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.

MINISTERS OF THE INTERIOR

During lunch, the Prime Minister referred to a proposal which the British Government believed could provide a useful basis for closer cooperation 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.

2 December 1975



Given
solidity
& back up of
energy

Mandate.

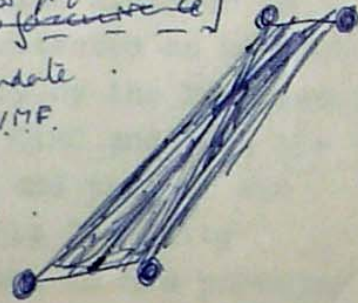
inc. MSP.
Both in presence & com-
Presidency is main speaker for Community.

But where a special or
different interest is
involved, speaking card is
temporarily lent to that member country's representative.

→ [? with President's agreement
+ not as a regular procedure]

* Schmidt - meeting of
Governors' Conference of I.M.F.
not contradictory mandate.

Giscard - orchestra
wishes to play a different tune.



Treaty 113 Section 3.

Joop - said agree in committee, but only Pres speaks!

Schmidt - special procedure where at request of country

Joop - NOT for 2 minutes, only expert.
→ But Chair of Commission? (Evers)
d'Estain (supported by Schmidt!) against
Commis - Chairman being wholly or mainly
oil producers.

Man, to agree re Commission.
Can give card to another but only in Committee.

* Giscard said at Group of 20 at Council, when
other spoke.