

PRIME MINISTER

Seen by the Prime Minister.

President Carter's Energy Proposals

Dr. Ruhfus telephoned at 1245 to let us know the line on President Carter's energy proposals which it was being recommended to Chancellor Schmidt (who is on a visit to Norway) that the Federal German spokesman should take at his regular press briefing in the early part of this afternoon. The Federal Government welcomed President Carter's declaration on energy policy. His announced intention to reduce American oil imports by half by 1990 was in line with the responsibility for the stability of the world economy which the United States bore as the largest oil consuming country of the world.

The Federal Government was convinced that the energy problem could be solved in the long-term only if the major industrial states made greater efforts to save energy and in particular to reduce oil consumption and to make more use of alternative sources of energy. President Carter's statement was an important contribution to the achievement of these objectives. His proposals for the industrial production of synthetic fuel, for the reduction of the use of oil in electric power plants and for the energy saving in private accommodation ~~was~~^{were} courageous.

The Federal Government was convinced that the active implementation of President Carter's plans was of great importance for the world's energy supply and for the development of the world economy. They hoped therefore that his programme would be supported by the United States Congress and the American people.

In response to a question from me Dr. Ruhfus said that they had decided not to include a critical comment about President Carter's apparent failure to do anything to raise the domestic price of oil. In coming to this view they had taken account of ~~the~~^{their} understanding that President Giscard was going to make this point in his public comment.

Dr. Ruhfus

Dr. Ruhfus added that the Germans were still considering their reaction to the proposal that there should be a meeting of Energy Ministers to review the follow-up to Tokyo. I told him that the line which was likely to be put to you for approval was that we accepted that such a meeting was inevitable now that both the French and Americans had agreed upon the need for one but that we would want it to take place in the late autumn rather than in early September, as the French were proposing. Dr. Ruhfus said that the Germans would take account of our views (which we know are close to those of officials in the Federal Ministry of Economics) in deciding what their line should be.

KWS.

16 July 1979