

CONFIDENTIAL

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EUROPEAN COUNCIL: DISCUSSION AT DINNER ON 29 NOVEMBER

Following is an account of the discussion at dinner on Monday 29 November, as described to a number of us after dinner by the Prime Minister last night.

The New Commission

There was a discussion about the new Commissioners whose names have been put forward by respective Governments, and President Giscard said that he was likely to reappoint M. Cheysson and M. Ortoli, although there was still an element of doubt pending a decision on the distribution of portfolios.

M. Tindemans similarly said that his nomination of M. Davignon depended to some extent on the portfolio he was offered. He had emphasised that there was nothing personal about this, but if (to take an extreme example) M. Davignon was offered the Agriculture portfolio, his appointment would clearly not be on. Similarly if M. Davignon was offered Social Affairs, this would cause great trouble with the Belgian trade unions.

President Giscard had welcomed the appointment of Mr. Jenkins as President of the Commission, and there had been some inconclusive discussion about whether a formal announcement about his appointment should issue from the European Council last night. On the distribution of portfolios, the Prime Minister had pointed out (and his colleagues had agreed) that the Heads of Government could not settle this question and had suggested that Mr. Jenkins should be made aware of the various difficulties and discuss the distribution of portfolios with the new Commissioners and with Governments. It was thought likely that either M. Ortoli or M. Davignon would be offered the Foreign Affairs portfolio.

There had been a brief discussion about the new terms of reference for the Commission, but it had been agreed to postpone

/detailed discussion

detailed discussion until today. Mr. Den Uyl had expressed some doubts about the need for new terms of reference, but the Prime Minister had reminded him of the request made to him (and to which he had now responded) at the last European Council Meeting.

Rhodesia

The Prime Minister had reported on the situation in Geneva and there had been some pressure on him, and particularly from President Giscard, for the British Government to be "more forward and less reluctant". The Prime Minister had emphasised that there could be no question of a British military presence in Rhodesia, and had pressed President Giscard in return to define what he meant by a British presence. President Giscard had first responded by referring to the International Fund, but had then gone on to suggest that a British presence might be needed in the two weeks interval between the interim Government and full independence. President Giscard had also talked of the need for Britain to give certain guarantees, but the Prime Minister had again pressed him on how one could give guarantees without the military force to back them up. The Prime Minister commented that President Giscard had shown a lack of understanding of the Rhodesian problem, particularly in his remarks about the extent to which his own visit to Rhodesia had confirmed him in the view that the Rhodesians were "typically British". The Prime Minister had argued that, whereas superficially the white Rhodesians might resemble the British, they were psychologically independent.

South Africa

Following the discussion on Rhodesia, Chancellor Schmidt had raised the question of South Africa's future, and Mr. Joergensen had also spoken at length on the subject. The Prime Minister had been asked whether he thought an agreement on Rhodesia would buy five year's grace for South Africa, but had said that he

/did not think

did not think so. On the contrary, the effect would be more like throwing someone off a sledge for the wolves. There was general agreement that the problem of South Africa was likely to become increasingly difficult, and that this was an area in which the Community should try to concert their policies. It was agreed that officials should start thinking about this, and that at a later stage the African Presidents, including Kaunda and Nyerere, should be brought into the discussions. Unless the Presidents had a clear policy, they would only be driven to extremist positions by their own nationals. President Giscard had made the point that the basic problem of South Africa was apartheid, which had created "an intolerable situation".

Relations with the United States

There had been a discussion about relations with the new American Administration, on which Chancellor Schmidt had taken a somewhat apocalyptic line, with references to President Kennedy's disastrous early contacts with Khrushchev. There was general agreement that the Community needed to get alongside President Carter, and some discussion of how this should be done, given the likely international problems which would arise next year in Africa and elsewhere.

It was thought unlikely that President Carter would undertake much foreign travel next year and President Giscard took the view that probably the first contact should be by meetings of another Economic Summit. Either this or a NATO Summit might be the pretext for getting President Carter to visit Europe. The Prime Minister had argued that it was more natural, in his view, to explore President Carter's political views first before discussing world economic problems with him.

The idea had emerged from this discussion that President Carter might be invited, either in July or perhaps preferably in April, to meet the Community, or the Prime Minister as President of the Council, in Brussels and to tour other capitals afterwards.

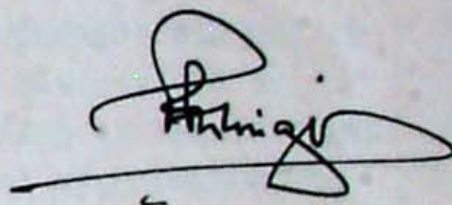
/In a subsequent

In a subsequent private conversation with the Prime Minister, President Giscard and Chancellor Schmidt had agreed that there should not be "an undignified scramble" with Community Heads of Government falling over each other to visit Washington. Mr. Den Uyl had suggested that the Prime Minister, as next President of the Council, might follow up these suggestions, but the discussion was left open.

In response to a question, the Prime Minister said that there had been no comments from the Heads of the smaller Governments on the idea of an Economic Summit, since President Giscard had acknowledged, when raising it, that it created difficulties for the others.

Oil Prices

The Prime Minister said that there had also been a discussion for about ten minutes on oil prices, but that the only suggestion to come out of this was a comment from Mr. Den Uyl that the Community should establish bilateral contacts with the oil producers!

A handwritten signature in black ink, appearing to be 'P. Delors', with a large, stylized flourish underneath.

30 November 1976