E MINISTER

The foreign and Commonwealth Secretary's absence in New York, The Sub-Committee met this morning under the second of the Defence and Oversea PRIME MINISTER the Sub-Committee on European Questions of the Defence and Oversea Policy Committee met this morning under my chairmanship and discussed the Energy Secretary's letter of 21 September to Lord Carrington (copied to you) about the negotiations in Brussels on National Oil Import Targets for 1985. 2. At the Energy Council on 20 September it was suggested that if the UK would move to a net export target of 10 million tonnes, other countries would also be willing to make some move from their declared positions. Further efforts are to be made to agree a Community position at COREPER tomorrow morning in advance of the meeting of Tokyo Summit Energy Ministers in Paris on Wednesday. The Energy Secretary suggested that if Sir D Maitland were authorised at tomorrow's meeting to advance from net self-sufficiency to a target of 5 million net exports in 1985 it might still be possible to clinch a deal on this sensitive issue in advance of the Paris meeting. No one at the meeting argued that a move to 5 million tonnes net export would be unacceptable to us or would seriously prejudge decisions on depletion policy. Neither, of course, does it carry any implications about our trade in oil with Community Countries. The argument was essentially a tactical one, and on this the view of the Sub-Committee was that, if such a move could clinch a deal tomorrow it would be well worth making. Failure to have a Community position at the Paris meeting of Tokyo Summit Energy Ministers would exacerbate relations with the Americans who were already annoyed at what they considered to be backsliding by the Community from the Tokyo Summit commitment as a result of the taking of credit for North Sea oil production in EEC calculation of import figures. Failure to achieve a Community position as agreed at Tokyo would be damaging in the wider international context, for the whole Tokyo commitment would be called in question, and many fingers pointed at us. On the other hand, the Sub-Committee did not consider that movement to a net target of only 5 million tonnes in 1985 was a significant bargaining card in the context of our Budgetary negotiations. Refusal to make such a minor move would only generate disproportionate friction inside the Community, and thus be unhelpful rather than helpful to you at the Dublin meeting. We were quite clear however that the offer should be contingent on others (the Germans, Italians, Dutch and Danes) making corresponding movement to make agreement possible and should be withdrawn immediately if no such agreement was forthcoming. In view of the implications for our relations both with the Americans and the Community I should be grateful for confirmation that you are content with the Sub-Committee's decision before instructions are sent to Sir D Maitland for tomorrow's COREPER meeting. × The meeting starts at 0900 London time. Russ 24 September 1979

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