

1. Mr. Whitmore

2. PRIME MINISTER

*Sum by the Prime Minister.*

PRESIDENT CARTER'S ENERGY PROPOSALS

President Giscard's chef de Cabinet, M. Wahl, telephoned at 0830 this morning to say, with reference to his earlier conversation with you, that President Giscard (who is on his way to New Caledonia in the Pacific) had stopped off in Abu Dhabi for talks with the President of the United Arab Emirates and would be meeting the press at 0830 London time. The President proposed to use this occasion to make his first public comment on President Carter's energy proposals, since he would not have another opportunity until his second stop-over in Singapore, much later today.

M. Wahl said that the President proposed to speak on the following lines.

He would express his approval and warm support for the programme announced by President Carter. Action of this order by the United States was essential. President Carter's programme concerning US imports of oil in 1979/80, and his target for the period up to 1990, were in conformity with the decisions of the Tokyo summit. The programme as a whole was courageous and indicated US appreciation of the gravity of the energy crisis. It was important that the programme should be implemented without delay and President Giscard hoped that it would be supported by the US Congress and by the American people.

President Giscard would go on to say that President Carter's programme required two corollaries if the Tokyo commitments were to be fully satisfied, namely:-

- i. a narrowing of the gap between the internal price of oil in the US and the rest of the world; and
- ii. a further effort to moderate transactions of the spot market.

/Now that

Now that President Giscard has given such a rapid public reaction, without any attempt at the "harmonisation" of European reactions which M. Wahl originally proposed, we shall have to consider whether to stick to our planned timetable for a UK reaction, i.e. co-ordination of today and public reaction in Prime Minister's Questions tomorrow (Tuesday); or whether it would be desirable to leave a smaller gap between the French reaction and our own. On the whole, I should have thought that we should stick to our plan; but you will first wish to find out what the Germans are proposing to do.

*Am.*

16 July 1979