

PRIME MINISTER

MEETING ON ECONOMIC SUMMIT

There is a lot to get through at this meeting. I suggest that you take the subjects in the following order. But you will need to leave plenty of time for discussion of the Economic Declaration - the last item.

Statement on International Terrorism

The Home Secretary has to leave by 3.30 pm and would be grateful if you could deal with this matter first. I attach a revised draft of the statement, which has been discussed with the departments concerned at Flag A.

Statement on Democratic Values

Much better!

We have two rival drafts - ^{FLAG E} the one produced by Lord Quinton, the other by the FCO. It is probably heresy to say so but I think the FCO one is better. May I suggest that, rather than taking the time of the meeting, you should say that we in this office will now produce a final draft for circulation to the other Summit participants (I would submit it to you for decision on Wednesday night).

UK Initiative on Industry and the Environment

If this is to go ahead we need to take a decision at the meeting and then consult other countries rapidly (I hope it will not be necessary to wait until Thursday's larger meeting on the Environment). The proposal is that the existing Versailles group - not a new group - should be given the functions in paragraph 6 of the Foreign Secretary's minute at Flag B.

I attach (at Flag C) minutes which show that

a) Robin Nicholson strongly supports it.

/ b)

- b) The Environment Secretary supports it, though warns that our emphasis on research may be taken by some as a delaying tactic.
- c) The Trade Secretary supports it. He wants a more detailed examination through E(P). But if we are to sell the proposal to other countries we must get on with it.
- d) The Chancellor has "considerable misgivings" and on balance would prefer to avoid an initiative. But if others feel it is the only way of pre-empting more damaging initiatives he would go along with it. If you feel on this basis you can decide to go ahead, well and good. If not, there is no point in a long discussion at this meeting because some of the principal Ministers concerned will not be there. But we are short of real initiatives for the Summit and I hope you will give the go ahead.

Economic Declaration

I attach (at Flag D) the draft which Sir Robert Armstrong wants to hand to other personal representatives next weekend. You will want to look through this with your colleagues.

A.J.C.

15 May 1984