



File DA
cc David Barclay
Sir Percy C.

cc MASTER SET

10 DOWNING STREET

From the Private Secretary

SIR ROBERT ARMSTRONG
CABINET OFFICE

LONDON ECONOMIC SUMMIT

The Prime Minister held a meeting today to consider preparations for the Summit. It was attended by the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer, the Home Secretary (for Item 1), the Minister for Trade, you yourself, Sir Peter Middleton, Sir Julian Bullard and Sir Crispin Tickell.

Statement on International Terrorism

The meeting considered the draft enclosed with Mr. Bone's letter of 15 May. It was agreed that the drafting needed to be clarified. In particular the first two sub-paragraphs in paragraph 2 should be reworded so that their meaning was plain. The last paragraph should read "In these and other ways the Heads of State and Government meeting in London intend to take the lead in developing action by the international community to prevent and punish terrorist acts and to identify and condemn those states which sponsor them". A revised draft of the statement would be submitted urgently to the Prime Minister so that it might be circulated to other participating Governments on 18 May. In discussion with other countries we should also explore the scope for agreement on offences for which diplomatic immunity should be waived.

Statement on Democratic Values

It was agreed that work should continue on the basis of the FCO draft. The draft should be revised with the aim of making the statement as effective as possible.

In the first paragraph the word "underlie" should be replaced by "sustain". The paragraph should also refer to the fact that the London Summit would be the tenth Economic Summit (thereby providing some justification for issuing a

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statement of this kind). The third paragraph should begin: "We believe in a system of democracy which ensures ...". The fourth paragraph would need radical revision in the light of the discussion at the meeting. The first sentence of paragraph 6 should be reworded to remove the word "paramount". The last paragraph should also be reworded - substitutes should be found for the words "enjoy", "creativity" and "dynamism".

The meeting agreed that it would also be necessary to consider the public justification which we would advance for issuing such a statement at the Summit. One possible line would be that the participants wished to put their economic conclusions in a political and moral framework.

A fresh draft of the statement should be submitted to the Prime Minister urgently so that it might be circulated to other participants on 18 May. The Foreign and Commonwealth Office should also submit a speaking note which might be used in answer to questions from the media about the purpose of the declaration.

UK Initiative on Industry and the Environment

The meeting had before it the Foreign and Commonwealth Secretary's minute of 8 May and comments thereon from the Environment Secretary, the Trade and Industry Secretary and the Chancellor of the Exchequer. Following discussion it was agreed that the United Kingdom should propose that the tasks set out in paragraph 6 of the Foreign and Commonwealth Secretary's minute should be entrusted to the existing Versailles group.

Draft Economic Declaration

The meeting considered the draft annexed to your minute of 15 May. It was agreed that the draft needed to be considerably shorter and tighter. The Prime Minister asked that the sentences in it should be made terse and taught. You were invited to revise the draft in consultation with the Treasury and in the light of the drafting points made at the meeting.

I should be grateful if the Cabinet Office could circulate before the weekend a proposed agenda for the Prime Minister's next meeting on the Economic Summit which will be held at 1700 hours on Wednesday 23 May.

I am copying this minute to Peter Ricketts (Foreign and Commonwealth Office), David Peretz (HM Treasury), Hugh Taylor (Home Office), Jonathan Rees (Office of the Minister for Trade) and, in view of the interest of their Ministers in the initiative on the environment, John Ballard (Department of the Environment), Michael Reidy (Department of Energy), David

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Normington (Department of Employment), John Graham (Scottish Office), Dinah Nichols (Department of Transport), Ivor Llewelyn (MAFF), and Joan Dunn (Mr. William Waldegrave's Office, DOE).

A. J. Cole.

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