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FROM: Sir J BULLARD
DATE: 9 June 1984

cc: Mr Coles
Sir R Armstrong
Mr Ingham
Sir C Tickell
Mr Derek Thomas
Mr Goulden
Mr Tait
PS/PUS

Private Secretary

LONDON ECONOMIC SUMMIT : POLITICAL QUESTIONS

1. I attach the 3 texts worked out by Political Directors overnight on the basis of instructions from Foreign Ministers following their discussion at dinner.

2. Foreign Ministers agreed that the text on Iraq/Iran should be a statement by the Chair, not a declaration by the Conference. They thought that it should contain a cross-reference to the Economic Declaration, but at the time of writing (0200 hours) it is not clear that the latter will contain a suitable passage for the link to be possible. This is the meaning of the square bracketed words in para 4.

3. The only disagreed point in the draft declaration on International Terrorism is the final sentence. The French, Germans, Italians and Japanese thought that it was going too far to speak of identifying and condemning those states which sponsor terrorist acts.

4. The declaration on East-West Relations and Arms Control gave the greatest difficulty. The French and Canadians disliked the tone of para 5, with its call upon the Soviet Union to respond to American arms control offers and return to the negotiating table: the rest of us, especially the Japanese, thought that something on these lines was important.

5. At a late stage the Canadian produced the three additional paragraphs 6-8, based on Mr Trudeau's letter to the Prime Minister with its 10 points. We tried to boil these down into a shorter list of four or five, but this was too little for the Canadians and still too much for the French. We did however agree with Mr Burt that he should prompt Mr Shultz or President Reagan to suggest a compromise passage on the following lines:-

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"We believe that East and West have important common interests: in preserving peace; in enhancing confidence and security; in reducing the risks of surprise attack or war by accident; in improving crisis management techniques; and in preventing the spread of nuclear weapons".

I think there is a good chance that the Canadians may accept this if it is put to them at a level higher than that of their Political Director, who had no discretion.

JL Bullard

9 June 1984

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Re-draft

2345 hrs

8 June

THE IRAQ IRAN CONFLICT

STATEMENT BY THE CHAIR

1. We discussed the Iraq/Iran conflict in all its various aspects.
2. We expressed our deep concern at the mounting toll in human suffering, physical damage and bitterness that this conflict has brought; and at the breaches of international humanitarian law that have occurred.
3. The hope and desire of us all is that both sides will cease their attacks on each other and on the shipping of other states. The principle of freedom of navigation must be respected. We are concerned that the conflict should not spread further and we shall do what we can to encourage (the forces of) stability in the region.
4. ^{along the lines set out in para 4 of the} We also considered the implications for world oil supplies. [Appropriate reference to the Economic Declaration.] We noted that the world oil market has remained relatively stable. We believe that the international system has both the will and the capacity to cope with any foreseeable problems through a continuation of the prudent and realistic approach that is already being applied.
5. ^{encourage the United Nations to continue to seek} We believe that a peaceful and honourable settlement is within reach of the parties if political will exists. We shall support any efforts designed to bring this about, particularly those of the United Nations Secretary-General.

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EAST-WEST RELATIONS AND ARMS CONTROL

1. We have a substantial discussion of East-West relations, ~~and found ourselves in agreement.~~

2. We stressed that the first need is for solidarity and resolve among us all.

UK Opinion

3. At the same time, we are determined to pursue the search for extended political dialogue and long-term co-operation with the Soviet Union and ~~all Eastern European States~~. ^{*UK Canada*} Contacts exist and are being developed in a number of fields. Each of us will pursue all useful opportunities for dialogue, ~~while keeping the others informed.~~

4. Our aim is security at the lowest possible level of forces. We wish to see early and positive results in the various arms control negotiations, [and the speedy resumption of those now suspended]. ^{*UK*} We are convinced that this would be in the common interest of both East and West. We are in favour of agreements which would build confidence and give concrete expression, through precise commitments, to the principle of the non-use of force.

[5. The US has offered to re-start nuclear arms control talks anywhere, at any time, without pre-conditions. (We look to the Soviet Union to respond and to return to the negotiating table.)]

We look for the speedy resumption of negotiations now suspended as the result of pressure from the Soviet Union

NOTE: France and Canada propose to insert the words in square brackets in paragraph 4 and to delete the whole of paragraph 5.

for a ~~the~~ constructive outcome

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[6. It is our belief that despite the many differences of outlook and ideology which at present divide East and West, there exist important common goals which can form the basis of progress towards the elimination of the danger of world conflict.

7. Thus it is clear that each side agrees that nuclear war cannot be won and must never be fought; each recognises the need to contain the risks of crises, accidental war and surprise attack; each seeks to increase security and reduce the burden of armaments on its people; each wishes to prevent the proliferation of nuclear weapons; each has undertaken international commitments not to be the first to use force against the other; each is at least beginning to appreciate the legitimate security interests of the other; and each, above all, seeks a safe, prosperous and rewarding future for its children.

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8. If the negotiation of specific issues between East and West can be approached in realization of the extent to which both sides have overriding interests in common, then there is hope for progress towards a stable and enduring peace. It is in this spirit that we will be prepared to conduct and develop their dialogue with the Soviet Union and its allies in the period ahead.]

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NOTE: Paragraphs 6-8 are proposed by Canada.

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DRAFT DECLARATION ON INTERNATIONAL TERRORISM

1. The Heads of State and Government discussed the problem of international terrorism.
2. They noted that hijacking and kidnapping had declined since the Declarations of Bonn (1978), Venice (1980) and Ottawa (1981) as a result of improved security measures, but that terrorism had developed other techniques, sometimes in association with traffic in drugs.
3. They expressed their resolve to combat this threat by every possible means, strengthening existing measures and developing effective new ones.
4. They were disturbed to note the ease with which terrorists move across international boundaries, and gain access to weapons, explosives, training and finance.
5. They viewed with serious concern the increasing involvement of states and governments in acts of terrorism, including the abuse of diplomatic immunity. They acknowledged the inviolability of diplomatic missions and other requirements of international law: but they emphasised the obligations which that law also entails.
6. Proposals which found support in the discussion included the following:
 - closer co-operation and co-ordination between police and security organisations and other relevant authorities, especially in the exchange of information, intelligence and technical knowledge;
 - scrutiny of ^{by each country} national legislation with a view to closing gaps which might be exploited by terrorists;

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*in order to
harmonise the
substance*

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DECLARATION ON DEMOCRATIC VALUES

Draft after discussion by Heads of State or Government

(1330 8 June 1984)

We, the Heads of State or Government of seven major industrial democracies with the President of the Commission of the European Communities, assembled in London for the Tenth Economic Summit meeting, affirm our commitment to the values which sustain and bring together our societies.

2. We believe in a rule of law which respects and protects without fear or favour the rights and liberties of every citizen, and provides the setting in which the human spirit can develop in freedom and diversity.

3. We believe in a system of democracy which ensures genuine choice in elections freely held, free expression of opinion and the capacity to respond and adapt to change in all its aspects.

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4. We believe that, in the political and economic systems of our democracies, it is for Governments to set conditions in which there can be the greatest possible range and freedom of choice and personal initiative; in which the ideals of social justice, obligations and rights can be pursued; in which enterprise can flourish and employment opportunities can be available for all; in which all have equal opportunities of sharing in the benefits of growth and there is support for those who suffer or are in need; in which the lives of all can be enriched by the fruits of innovation, imagination and scientific discovery; and in which there can be confidence in the soundness of the currency. Our countries have the resources and will jointly to master the tasks of the new industrial revolution.

5. We believe in close partnership among our countries in the conviction that this will reinforce political stability and economic growth in the world as a whole. We look for co-operation with all countries on the basis of respect for their independence and territorial integrity, regardless of differences between political,

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economic and social systems. We respect genuine non-alignment. We are aware that economic strength places special moral responsibilities upon us. We reaffirm our determination to fight hunger and poverty throughout the world.

6. We believe in the need for peace with freedom and justice. Each of us rejects the use of force as a means of settling disputes. Each of us will maintain only the military strength necessary to deter aggression and to meet our responsibilities for effective defence. We are convinced that international problems and conflicts can and must be resolved through reasoned dialogue and negotiation and we shall support all efforts to this end.

7. Strong in these beliefs, and endowed with great diversity and creative vigour, we look forward to the future with confidence.

Lancaster House

8 June 1984

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