

Ref. A09599

PRIME MINISTER

Tokyo Summit Preparations

You may like to have this brief report on the Preparatory Meeting which I attended in Washington on 17th-19th May.

2. We achieved a satisfactory measure of agreement on the following points:-

- (a) Tokyo should not be a rerun of the Bonn Summit. There was no case for pressing individual countries to take further action to stimulate world demand. The Summit should avoid percentages and targets.
- (b) Given the short time available (only a day and a half not counting finalisation of the communique and Press conference), the Heads of Government ought to be selective in what they discuss. It was unlikely that they could take any useful decisions on international monetary matters (no great currency instability likely and too soon to judge the effect of EMS) or on trade (following reasonably satisfactory conclusion of the MTNs). UNCTAD would just have finished: and unless it ended in disaster some of the heat would be off the North/South question. The main topic which deserved discussion and on which progress could be made was energy and its relationship to the world economy.
- (c) The communique should be shorter than usual: and both less analytical and more action-orientated.

3. This led us to feel that the main theme of the Summit might be:-

- (i) The Summit participants have largely honoured the undertakings they gave at Bonn.
- (ii) However new factors have intervened. The rise in oil prices and the energy shortage could have serious implications for growth, inflation and unemployment if we do not face up to reality.
- (iii) This leads to two main lessons:-
- (a) The need for structural change.
- (b) The need to ease the energy shortage.

Prime Minister

Are you content with the way this is shaping up?
Sir John Hurt is clearly trying to keep MacIntyre at bay.

6/21/75

(iv) Action to ease the energy shortage should include:-

- (a) What oil price strategy is envisaged? How do we play our cards with the oil producers?
- (b) Conservation measures.
- (c) Greater use of coal in some countries.
- (d) A determined international effort to ensure the highest standards of nuclear power safety, and to demonstrate this.
- (e) Investment in new sources and renewables.

(v) The under-developed countries could be particularly vulnerable to energy shortage and rising oil prices. The best way we can help them and they can help us to help them is by maintaining open markets. There are however a few specific measures which can be considered.

4. The next meeting of Personal Representatives is in Paris on 14th-16th June. I should like, if I may, to report further to you before this because in Paris we shall have a first discussion of the draft communique which the Japanese are preparing. At that stage I suspect we will have to refight some of the battles we won in Washington because the Japanese were alone in wanting a long and platitudinous communique. (At one point Mr. Miyazaki said "Mr. Ohira is a philosopher who does not mind platitudes".) In the meantime I shall be discussing with those concerned, including CPRS and the Department of Energy, how we can make most impact on the energy front: and Sir Jack Rampton and Sir Douglas Wass will be attending further meetings of the sub-groups on energy and inflation that have produced papers for the Personal Representatives.



John Hunt



21st May 1979



10 DOWNING STREET

From the Private Secretary

23 May 1979

Tokyo Summit Preparations

The Prime Minister has seen Sir John Hunt's minute (AO9599) of 21 May about the preparations for the forthcoming Tokyo Summit. The Prime Minister is content with the approach which we are adopting towards the Summit in the preparatory meetings and would welcome a further report from Sir John Hunt before the next meeting of Personal Representatives on 14/16 June.

B. G. CARTLEDGE

M.J. Vile, Esq.,
Cabinet Office.