

Ref: A03950

*Yes agree with all
as useful for
Mondale
visit*

Prime Minister

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*Subject to any comments you have at
this stage, this ink serves as a
useful basis for discussion with Vice-
President Mondale (if not Chancellor Schmidt).*

MR. P. R. H. WRIGHT

Preparations for an Economic Summit

(attached)

In your minute of 14th January you asked for advice on preparations for the forthcoming Economic Summit.

*Phas
27/1*

2. It is perhaps convenient to begin by recalling the preparatory arrangements for the Rambouillet and Puerto Rico Summits.

3. In both cases things were started off by a United States emissary who visited the main capitals concerned to establish a consensus about (a) the desirability of a Summit, (b) timing and location and (c) the main ground to be covered. For Rambouillet and Puerto Rico the emissary was Mr. George Shultz, and it is possible that Senator Mondale's tour will fulfil the same purpose.

4. Thereafter, each Head of Government nominated a personal representative the so-called Carlton Group. This Group was responsible for doing such preparatory work as was necessary. Its members reported direct to their Head of Government and the preparations took place outside both the normal bureaucracy and diplomatic channels. In some cases the representative was drawn from within Government service and in some cases from outside. Thus the lead members of the original Carlton Group were:-

- United States: Shultz - Formerly in Government but back in the private sector
- France: Barre - Formally not in French Government service but then a private consultant to Giscard
- Germany: Pöhl - Finance Ministry
- Italy: Ossola - Bank of Italy
- Japan: Ushiba - Diplomat
- United Kingdom: Hunt - Cabinet Office

In some cases the representative was accompanied by a second individual. Thus Sonnenfeldt accompanied Shultz and Sir Derek Mitchell accompanied me. One way or another each country had someone with financial expertise.



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5. For Rambouillet the Group had two meetings, one in New York of two days and a further day's meeting in London. We discussed the main topics in some detail, suggested lead speakers to start them off at the Summit and prepared a draft declaration which in the event was largely reflected in the subsequent Rambouillet declaration.

6. For Puerto Rico a similar Group met once in Washington. It did rather less work which probably foreshadows the fact that the Puerto Rico meeting itself was to be shorter and less substantial than the Rambouillet Summit.

7. In both cases the arrangements seemed to work well: and the fact that some members of the Group were Government servants while others were not caused no difficulty.

8. What do we want this time? I suggest that three considerations need to be taken into account:-

- (a) The fact that the participants were personal representatives of their Heads of Government caused some teeth-sucking in some of the bureaucracies, but almost certainly resulted in their being more in tune with what their respective masters wanted to get out of the Summit. I think this is an element which we ought to retain.
- (b) Sufficient preparation is needed to clear the ground, identify topics which are likely to be fruitful, and discuss possible lines of positive progress at the Summit.
- (c) On the other hand Heads of Government are not likely to want to be burdened with a lot of papers. These Summits are not negotiating meetings on the EEC pattern: square bracketed texts are unnecessary and undesirable: and Heads of Government want time to talk freely rather than plough through extensive documentation. The main thing is to ascertain how the Summit, while avoiding giving the appearance of taking decisions which ought properly to be taken in other (and usually wider) groupings, can enable the main industrial democracies to work together to shove things in the right direction.



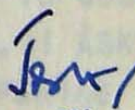
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9. The considerations in paragraph 8 (particularly (a) and (c)) suggest to me that a single group is best but that we ought to follow the Rambouillet procedure and think in terms of at least two meetings rather than one. A single group would also minimise the risk of leaks, accusations of by-passing conventional channels of multilateral discussion etc.

10. I think any Group should again be formed by the personal representatives of Heads of Government, but that it should be left to the latter to decide whether they should come from within or outside their respective Government machines.

11. It would of course be interesting if the Prime Minister could discover from Mr. Mondale who the new United States Government propose to put in the lead on preparatory arrangements. There is, however, no need to settle United Kingdom representation on any Group at this stage unless the Prime Minister wishes to do so. There are however two points which are relevant to whether it is drawn from within the Government machine or outside it. This is the fact that, at the Prime Minister's request, we are currently working on a possible international initiative on structural unemployment: and this may need to be taken account of in the preparations. The second is that we shall have the EEC Presidency during the period of the preparations and will have to live with the assurance given last summer to consult our non-participant EEC partners. All other things being equal it might suit us best to go for the same pattern of preparation as for Rambouillet and Puerto Rico.

12. I have discussed this matter with Sir Michael Palliser and Sir Douglas Wass who agree generally with this advice.


(John Hunt)

19th January 1977