

Prime Minister



I suggest that I reply saying that you note these views and would like all these questions to be considered at the retreated meeting arranged by 24 March which will consider preparations for Versailles.

Foreign and Commonwealth Office

London SW1A 2AH

16 March 1982

Dear Sir

Agree? Yes - but I do not like the way things are going. I wonder if the summit is worthwhile.

Preparations for the Versailles Economic Summit

Lord Carrington has seen Sir Robert Armstrong's minute of 4 March, describing the latest meeting of Personal Representatives, as well as your minute of 8 March giving the Prime Minister's views.

Is the F.O. the main economic affairs?

Lord Carrington is grateful to Sir Robert Armstrong for his effective interventions on the handling of political discussion. Arrangements for preparing the discussion are now on the right lines. As for the political discussion at the Summit itself, it would be very useful if, as Sir R Armstrong suggested, provision could be made for Foreign Ministers to be present with Heads of State and Government for at least one session, and ideally for both the lunches. This would still allow Heads of State and Government to discuss political topics alone, if they wished, at the dinners. German and American support on this issue at the last Personal Representatives' meeting was welcome and the French now seem ready to think again about the arrangements. But we may need to keep the pressure on them at the next Personal Representatives' meeting.

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It is also welcome that all, including apparently the French, have agreed that political discussion should be prepared by political representatives before the meeting of Personal Representatives fixed for 14-15 May. Sir Antony Acland and Julian Bullard will carry the responsibility for this, in line with the arrangements set out in George Walden's letter of 17 February 1981 and endorsed in Michael Alexander's reply of 18 February. Sir Antony Acland also looks forward to supporting Sir Robert Armstrong at the enlarged meeting of Personal Representatives due on 23-25 April.

It is satisfactory that all agree that the UK should prepare the macro-economic review for this Summit. But the position taken on the issues by the Americans showed no flexibility or understanding. There is a risk of serious differences on economic policy between the Americans and the Europeans at the Summit. There may be a similar, if less conspicuous, gap on matters concerning developing countries.

The most difficult point concerns Community representation, where a problem arises because the Presidency this year is not held by a regular Summit participant.

/Lord Carrington



Lord Carrington sees the force of the Prime Minister's view that only one person should represent the Community at any restricted sessions and at meals among Heads of State and Government; and notes that in her view this should be the Belgian Prime Minister rather than the President of the Commission. Although the French have considerable support among the Summit participants in pressing for a single representative, this evidently conflicts with the agreement reached in the Community in 1977 (and embodied in a decision of the Foreign Affairs Council in November that year). This provides that both the Presidency and Commission would 'take part in those sessions at which items are in the competence of the Community are discussed'.

On the assumption that the Community is prepared to modify that agreement and accept that only one of the Presidency or Commission should be present, then we know that as between M. Martens and M. Thorn, the French, Germans and Italians all favour M. Thorn. He has already attended restricted sessions at past Summits; and the Commission rather than the EC Presidency is responsible for speaking on matters of Community competence. Future prospects also have to be borne in mind. The choice of the Presidency to take part in the restricted sessions at the Summit might work well this time with M. Martens. But it could prove a very awkward precedent if and when a future Summit were held during the Presidency of a difficult small country, eg Greece (as might be the case next year).

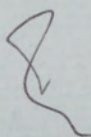
There are also drawbacks in the Italian suggestion that the Prime Minister should act as Presidency representative in restricted meetings, on the grounds that the UK held the Presidency last. It would cause particular bad feeling with the Belgians if we supported such a device. It has not been used before in the Summit context and will not necessarily help us in future years. Once Spain and Portugal are in the Community, we shall have the Presidency held by three non-Summit countries in a row. Lord Carrington hopes the Italians can be discouraged if they pursue this idea.

For all these reasons Lord Carrington sees advantage in keeping our heads down on this subject. He suggests that we should continue to leave it to the French, as hosts, to work out a solution with the Presidency and the Commission. If the matter comes back to the Foreign Affairs Council (as it may well) there seems every advantage, in the context of our relations with the smaller Community members, in having kept out of the debate. We can decide at that stage which way to go.

/I am



I am sending copies of this letter to David Wright
(Cabinet Office) and to John Kerr (HM Treasury).

Yours ever,


(B J P Fall)
Private Secretary

A J Coles Esq
10 Downing Street



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10 DOWNING STREET

From the Private Secretary

16 March 1982

Preparations for the Versailles Economic Summit

The Prime Minister has seen your letter of 16 March containing the advice of the Foreign and Commonwealth Secretary on preparations for the Versailles Summit. She notes Lord Carrington's views and has commented that she would like all these questions to be considered at the restricted meeting which has been arranged for 24 March. She is inclined to doubt whether, if preparations continue on present lines, the Summit will be as valuable as she would wish it to be.

I am copying this letter to John Kerr (HM Treasury) and David Wright (Cabinet Office).

A. J. COLES

Brian Fall, Esq.,
Foreign and Commonwealth Office.

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