

SIR ROBERT ARMSTRONG

Economic Summit 1984

The Prime Minister has noted the contents
of your minute of 10 November.

AJC

14 November 1983

SB

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PRIME MINISTER

Economic Summit 1984

Personal Representatives met in London on 5 and 6 November 1983. We discussed both administrative and substantive preparations for the 1984 Summit. We were all very grateful to you for extending the hospitality of No 10 to us; that did much to make the meeting a success.

Date of Summit

2. The French Representative repeated the arguments already familiar to you for avoiding 8 to 10 June, as the weekend immediately before the European Assembly elections. These arguments were not supported by anyone else. There were practical and political objections from a number of Representatives to any date later than that. It was suggested that the meeting might be brought forward to an earlier date, (say) the second or third weekend in May. The Japanese Representative was not keen on this; other delegations were without instructions. We shall have to have one more round of consultation on the possibility of an earlier date. But I am confident that we shall end up agreeing on 8 to 10 June.

3. My intention is to reach agreement at Personal Representative level within the next two or three weeks, with a view to your issuing formal invitations in December and to an announcement later in December or early in January, once the Japanese elections (now expected in December) are completed.

Summit Arrangements

4. There was general agreement with your desire for an informal and workmanlike Summit. The French Representative said that the President would like to see as much as possible of the time used for restricted meetings of Heads of State or Government only. Some seconded this; others (notably the German and Italian Representatives, whose Principals head coalition Governments)

thought that there were political limits to the lengths to which that could be taken. No definite decisions were reached, but we thought that it might be possible to plan on the following basis:

- Day 1 Dinner in separate groups
- Day 2 Morning meeting in separate groups
Lunch in separate groups
Afternoon in plenary session
Dinner in separate groups
- Day 3 Morning: Part I in plenary session, to consider draft communique
Part II in separate groups
Lunch in separate groups
Afternoon (if necessary) plenary for further communique revision
Press Conference at (say) 5.00 pm
State Dinner

5. There was a general preference for keeping the evening of Day 2 available for working dinners, and for having The Queen's State Banquet on Day 3, after the conclusion of the formal proceedings and as the culmination of the meeting. The Queen would be content; we shall have to make sure, however, that every Head of State or Government will be prepared to stay on for the Banquet.

Substance

6. We took stock of developments since Williamsburg on the subjects in respect of which the Williamsburg Declaration provided for or envisaged further work, and particularly on international surveillance, economic and monetary convergence, management of international debt problems and rollback of protectionism. There was a wide measure of agreement that the 1984 Summit would be essentially "building on Williamsburg", though that phrase was not actually used. The signs of economic recovery in the United States, the United Kingdom, the Federal Republic of Germany, and Japan, and the indications of better prospects in the other countries were welcomed. There was no disposition to question the general thrust of macro-economic policy to reduce further (or at least to prevent a rise of) the rate of inflation and the level of interest rates, and to encourage the growth of new job opportunities.



There was general agreement that the 1984 Summit would have to concern itself more extensively than the Williamsburg Summit did with the problems and implications of international debt management and the inter-relationships between finance and debt and between trade and debt. There was general agreement that relations with developing countries should be addressed as an integral part of the general discussion of world economic problems, not as a separate subject in its own right. The German and other European Representatives stressed the importance for world economic recovery and for international debt management of a reduction in United States interest rates, and were profoundly sceptical about the rather unconvincing attempts of the United States Personal Representative to convince us that the level of the United States fiscal deficit was not causally significant for the level of United States interest rates.

7. It was agreed that Personal Representatives should meet again in February, when world economic prospects for 1984 would be a little clearer, for a discussion of a scene-setting general paper on the world economic situation and prospects (to be prepared by the United Kingdom) and discussion in greater detail of the international debt management situation and its implications for international financial and trade policies. These discussions would provide the basis for the preparation (again by the United Kingdom) of a "thematic paper", to be considered at a later meeting of Personal Representatives, probably in April. As last year, we should aim to present an agreed version of the "thematic paper" to Heads of State or Government as a framework for their discussions at the Summit.

8. We came to no conclusions about the preparation of a draft communique. Some Representatives were content to leave preparation and discussion of a draft until the end of Day 2 of the Summit itself, so that the communique would fully reflect, and not trammel, discussion at the Summit. Others felt that we had run quite a high risk at Williamsburg by not beginning to consider the draft declaration until 11.00 pm on Day 2 (with a press conference scheduled to be held at 2.30 pm on Day 3), and thought



that there might be some advantage in having at least some preliminary and without-commitment discussion of an outline at the last meeting of Personal Representatives before the Summit.

9. As to discussion of political issues, there was general agreement that the Economic Summit provided a useful opportunity for Heads of State or Government to have informal and wide-ranging discussions of political issues, for example, at meals. But there was also a general desire not to assume that, because Heads of State or Government had felt obliged to issue public comment on a political issue at each of the last four Summits, there would have to be some kind of political declaration from the 1984 Summit. It was generally felt that the character of these occasions as Economic Summits should be preserved, and that they ought not to develop into Economic and Political Summits (at any rate formally or overtly).

10. This view was expressed notably by the Japanese Representative and particularly strongly by the French Representative, who said that, while his President welcomed the opportunity of private and informal discussion of political issues with other Heads of State or Government in the margins of the Economic Summit, he had been very unhappy about the way in which he had been virtually forced to agree, much against his will, to the issue of the political declaration at Williamsburg, and wished these Summits to stick to their economic last. The French Representative said that his Government would prefer that there should not be in 1984 (as there was this year) a meeting of Political Directors at the time of the last meeting of Personal Representatives, to identify the political issues which were likely to come up for discussion at the Summit; but that, if such a meeting was to be held, he would himself attend it, not the French Political Director.

11. On the other hand, the Canadian Personal Representative indicated that his Prime Minister would quite like to see a larger purely political element in the preparations for the 1984 and subsequent Summits.



12. I am sending copies of this minute to the Foreign and Commonwealth Secretary and to the Chancellor of the Exchequer.

RTA

ROBERT ARMSTRONG

10 November 1983

CONQUEROR