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Foreign and Commonwealth Office

London SW1A 2AH

15 May 1984

Dear John,

London Economic Summit: The London Charter

In your minute of 10 May to Sir Robert Armstrong you recorded that at the Prime Minister's meeting on 10 May it was agreed that the Foreign and Commonwealth Office should redraft the text of a declaration on democratic values, possibly to be known as the London Charter, on lines suggested by the Prime Minister.

I now enclose a draft with which Sir Geoffrey Howe is generally content.

I am copying this letter to David Peretz (HM Treasury), Hugh Taylor (Home Office) and Richard Hatfield (Cabinet Office).

Yours ever

Peter Ricketts

(P F Ricketts)  
Private Secretary

A J Coles Esq  
10 Downing Street

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*file* *BC PL* *BT*

10 DOWNING STREET

From the Private Secretary

15 May 1984

*Dear Peter,*

ECONOMIC SUMMIT:  
DRAFT STATEMENT ON DEMOCRATIC VALUES

Thank you for your letter of 15 May enclosing a redrafted text of a declaration on democratic values.

You will recall that it was decided to commission a draft also from Lord Quinton. I now enclose the latter which will be discussed at the Prime Minister's meeting on Wednesday, 16 May.

I am copying this letter and enclosure to David Peretz (HM Treasury), Hugh Taylor (Home Office), Steve Nicklen (Department of Trade and Industry) and Richard Hatfield (Cabinet Office). I am also sending to Steve Nicklen the FCO draft enclosed with your letter under reference.

*Yours ever*  
*John Major*

Peter Ricketts, Esq.,  
Foreign and Commonwealth Office

*Done*

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Ref. A084/1453

MR COLES

London Economic Summit: Draft Economic Declaration

I attach a draft of the Economic Declaration to be made at the end of the London Economic Summit on 9 June.

2. The draft incorporates comments on an earlier draft made by the Foreign and Commonwealth Office, the Treasury and the Department of Trade and Industry.

3. This is for discussion at the Prime Minister's meeting on 16 May.

4. One point to which Ministers will particularly need to address themselves is whether this draft strikes an acceptable balance between the need to express confidence about the future and the danger of appearing to be complacent. The Foreign and Commonwealth Secretary thought that the earlier draft was at too great risk of appearing to be complacent; I hope that in reflecting that thought I have not undermined the confidence which it was intended to convey.

5. The Foreign and Commonwealth Secretary also thought that the draft should not be totally silent on the importance of United States policies both for world recovery and for the handling of international debt problems. I have tried to reflect these thoughts in language which is not directly critical of the United States.

6. As to subsequent handling, subject to any comments arising from the Prime Minister's meeting tomorrow, I would propose not to circulate the draft to Personal Representatives before their meeting next weekend, but to have it available at the meeting and to circulate it there, not as something which Personal Representatives are asked to agree in detail at this stage but as an indication of the way we are thinking and as a basis for general comments as to content, balance and tone.

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7. I am sending copies of this minute and of the draft Economic Declaration to the Private Secretaries to the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer and the Secretary of State for Trade and Industry, who are to be at the Prime Minister's meeting tomorrow.

REA

ROBERT ARMSTRONG

15 May 1984

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Draft of 15 May 1984

DRAFT ECONOMIC DECLARATION

We, the Heads of State or Government of seven major industrialised countries and the President of the Commission of the European Communities, have gathered in London from 7 to 9 June 1984 at the invitation of the Rt Hon Margaret Thatcher FRS MP, the Prime Minister of the United Kingdom, for the tenth annual Economic Summit.

2. The primary purpose of these meetings remains, (as it was intended from the start to be,) to enable Heads of State or Government to come together to discuss (directly) with each other the economic problems, prospects and opportunities for our countries and for the world economy of which they are part. On this occasion, as in the past, we have been able to achieve not only closer understanding of each other's positions and views but also a large measure of agreement on our objectives and on the policies to be followed in pursuing them.

3. At our last meeting, in Williamsburg in 1983, we were already able to detect clear signs of recovery from world recession. That recovery can now be seen to be established in many of the industrialised countries, (and especially strongly in the United States.)

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It is the reward for the firm efforts made in the Summit countries and elsewhere over recent years to reduce levels of inflation and of interest rates, to control and where possible bring down fiscal deficits and to control monetary growth.

4. The fact that the recovery is founded on this base does not mean that its continuation can be taken for granted. We have to make the most of the opportunities with which we are now presented to reinforce the basis for enduring growth and to spread its benefits even more widely, not only within our own countries but also to other countries, including the poorer countries who stand to gain as much as any from a sustainable growth of the world economy. *If we are able to do so,* pressures to reduce inflation and interest rates still further and prudent monetary and budgetary policies of the kind that have brought us so far will have to be sustained and where necessary strengthened. We reaffirm the commitment of our Governments to those objectives and policies. [We welcome the *initial* measures recently announced by the United States Administration to limit the fiscal deficit of the United States.]

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5. Not the least of our concerns is the growing strain on public expenditure from social security provisions in many of the industrialised countries. There must of course be suitable state-funded provisions for those who are poor and in need; but those provisions have to be kept within limits of what national economies can afford. We welcome the increasing attention being given to these problems by national Governments and in international fora such as the Organisation for Economic Co-operation and Development (OECD).

6. If we are to achieve sustained growth, we must make sure that the industrial economies develop flexibly and in response to market needs and technological change; that we encourage flexible labour policies and bring about the conditions in which more new jobs will be created on a lasting basis, especially for the young; and that we foster and expand the international trading system and liberalise capital markets.

7. At Williamsburg we defined a flexible strategy for dealing with the debt burdens of many developing countries. That strategy has served both the countries concerned and the international financial system well in the past year. In the pursuit of this strategy a key

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role has been played by the International Monetary Fund, whose resources have been strengthened for the purpose. In a climate of world recovery, growing world trade and the increasing readiness of debtor countries to accept the need to adjust their economic policies, this strategy should continue to enable the international financial system to manage the international debt problems that may still arise. But a significant rise in levels of international interest rates would both exacerbate the problems of the debtor countries and make it more difficult to sustain the strategy for managing their problems: this underlines the importance of ~~continuing to follow~~ policies which will be conducive to lower interest rates.

8. Looking to the future, the countries which we represent need to set themselves an agreed range of objectives, and to take account of the impact of their policies not only upon each other but also on the rest of the world: a point upon which we have noted the concern expressed by other countries and groups of countries. Against this background we have agreed that our Governments will -

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- continue with and where necessary strengthen policies to reduce inflation and interest rates, and to control budgetary deficits and monetary growth;
- seek to reduce obstacles to the creation of new jobs, by encouraging industrial development in response to market needs and technological change, especially among innovative small businesses, by discouraging measures to prop up declining industries, by encouraging mobility of labour and flexibility in its use, and by promoting multilateral agreement to reduce or phase out export subsidies and other assistance which distorts trade;
- promote the development of new technologies, in traditional as well as in new industries, encourage international technological co-operation and work for a more rapid and widespread acceptance of technological change;
- seek to ~~adapt and~~ improve the operation and stability of the international financial system, by means of prudent and convergent policies and performance among the major countries, particularly the reserve currency countries, by providing a consistent flow of funding to the

*adequate*

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international financial institutions, and by working for ~~the removal of restrictions on~~ and improvements <sup>of</sup> international access to capital markets in industrialised countries;

- make renewed efforts to liberalise and expand international trade, in services and high technology as well as in manufactures and commodities;
- work for the maintenance of adequate flows of resources (including official development assistance) to the non-industrialised countries, seek ways of increasing the flow of private investment, and encourage practical measures in those countries to conserve resources, to enhance indigenous food and energy production, and to create conditions where populations move towards stability;
- continue to support a flexible strategy for dealing with international debt problems, and to help debtor countries to make the necessary economic and financial policy changes, taking due account of political and social difficulties;
- encourage the pursuit of research into the causes and effects of pollution and the means of limiting it, and in the light of

through  
air  
measures

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that research make greater national and international efforts to reduce pollution of air, water and ground and to minimise its effects.

9. We are further agreed:
- to carry forward and develop as appropriate the procedures agreed at Versailles and at Williamsburg for multilateral monitoring and surveillance;
  - to study with the appropriate international organisations policies to improve economic efficiency, incentives and flexibility, and to reduce obstacles to growth, in particular by harmonising standards, encouraging innovation and adaptation, and facilitating the mobility of labour and capital;
  - to invite Finance Ministers to carry forward in the appropriate organisations their consideration of the operations of the international monetary system;
  - to develop arrangements which could promote renewed economic progress by debtor countries;
  - to urge all trading countries to resist continuing protectionist pressures and to reduce barriers to trade;

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- to encourage work on liberalising trade in services[, and in particular to welcome the decision by OECD Ministers at their meeting on 18 May to accelerate its programme of work in this area].
- to participate positively in the work programme laid down at the GATT Ministerial meeting in November 1982, with a view to promoting constructive decisions at the GATT Contracting Parties meeting in November 1984; and to explore with other parties to the GATT and with the Director General how best to make progress towards a new GATT negotiating round, with clearly defined objectives and guidelines, early in the second half of the decade.

10. We note with approval that work continues in the appropriate organisations on the economic security implications of relations with Eastern countries.

11. We welcome the second report of the Working Group on Technology, Growth and Employment set up at the Versailles Economic Summit, and the progress made in the eighteen areas of co-operation, and invite the Group to pursue further work on [technology and the environment,] adaptation to technological

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change, the relationship between technology and trade, and the sharing of scientific facilities, and to report to the next Economic Summit.

[12. We have decided to invite the Working Group on Technology, Growth and Employment to identify specific areas for research into the causes and effects of pollution where existing knowledge is inadequate and bring together the results of research already undertaken, and to identify possible projects for international industrial co-operation to develop cost-effective techniques to reduce environmental damage. The Group is being invited to report to the next Economic Summit in 1985 on these matters.]

13. We thank the Prime Minister of Japan for his report on the Conference of Life Sciences and Mankind, organised by the Japan Foundation in March 1984, and welcome the intention of the French Government to sponsor a second Conference in 1985.

14. We welcome the invitation from the President of the United States to other Summit countries to co-operate in the development of an international manned space station. Other Summit countries will actively examine the possibilities of taking part in the programme, directly or collectively. We look forward to a

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progress report from the United States Administration on space station matters at the next Summit.

[15. We have agreed to meet again next year and have accepted the Federal Chancellor's invitation to meet in the Federal Republic of Germany.]

London

9 June 1984

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TRINITY COLLEGE  
OXFORD

To confirm what I  
dictated this morning. Sorry I  
couldn't get it into last night's post.

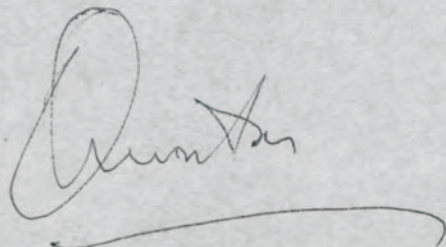
With the Compliments of  
The President

TQ.

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DRAFT STATEMENT ON DEMOCRATIC VALUES

1. As leaders of the seven major industrialised nations we affirm the principles that we share, in which genuinely democratic political institutions serve to guarantee the freedom and rights of individuals.
2. What is essential to democracy is a choice between real alternatives. Without that the formal mechanism of voting is an empty ritual. If there are to be real alternatives for voters to choose between there must be freedom to express conflicting views and freedom for groups to associate so as to compete with other groups for the endorsement of the voting public.
3. Genuine democracy is thus itself a form of freedom and it has always proved to be the best safeguard for other kinds of freedom. It makes possible the peaceful and orderly handing over of governmental power. It invites citizens to be politically active and responsible, and does not maintain them in passive and ~~undignified~~ <sup>undignified</sup> dependence. By making governments accountable to the public it ensures that governments themselves abide by the laws which it is their duty to enforce.
4. We do not seek to impose the political system we support by force or by subversion on those who live under other systems. But since we believe it to be the best system and, therefore, an ideal to which all should aspire, we shall defend it against attempts, open or covert, to destroy or undermine it. At the same time we are concerned to preserve peace, in particular by effective arms control agreements, for peace is an interest shared by all peoples, whatever political system they live under.
5. We believe that the personal freedom and security of which democratic institutions are the best guarantee foster the creativeness that is needed to identify and master the problems posed for mankind by population growth, pressure on natural resources and the effects of technical change. We believe that our economic strength can and will benefit people everywhere, those most afflicted by hunger, poverty and disease as well as our own fellow-citizens.
6. In our discussions in London we have dedicated ourselves to reaffirming the value of our principles and institutions, to strengthening the unity between the nations committed to democratic freedom and to increasing the welfare of mankind, now and in the future, by the example of political systems that endorse the rule of law and by the fruits of the economic achievements which those systems help to make possible.





FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE

MEMORANDUM FOR THE DIRECTOR, FBI (100-443886)  
FROM: SAC, NEW YORK (100-345678)

SUBJECT: [Illegible]

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18 MAY 1984  
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*[Handwritten note]*

ECON SUMMIT.



10 DOWNING STREET

ROBIN

Lord Quinton telephoned  
this morning to dictate the attached  
statement. He will be sending  
you a copy shortly.

John

Debbie Green

15 May 1984

I have  
telephoned Lord  
Quinton to thank him.

FEB

15.5

15 May 1984

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DRAFT STATEMENT ON DEMOCRATIC VALUES

(LORD QUINTON'S DRAFT).

As leaders of the seven major industrial nations we affirm the principles that we share, in which genuinely democratic political institutions serve to guarantee the freedom and rights of individuals.

What is essential to democracy is a choice between real alternatives. Without that, the formal mechanism of voting is an empty ritual. If there are to be real alternatives for voters to choose between, there must be freedom to express conflicting views and freedom for groups to associate so as to compete with other groups for the endorsement of the voting public.

Genuine democracy is thus itself a form of freedom and it has always proved to be the best safeguard for other kinds of freedom. It makes possible the peaceful and orderly handing over of governmental power. It invites citizens to be politically active and responsible, and does not maintain them in passive and undignified dependence. By making governments accountable to the public it ensures that governments themselves abide by the laws which it is their duty to enforce.

We do not seek to impose the political system we support by force or by subversion on those who live under other systems. But since we believe it to be the best system and an ideal to

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which all should aspire, we shall defend it against attempts, open or covered, to destroy or undermine it. At the same time we are concerned to preserve peace, <sup>with freedom and justice</sup> in particular by effective arms control agreements, for peace is an interest shared by all peoples, whatever political system they live under.

We believe that the personal freedom and security of which democratic institutions are the best guarantee foster the creativeness that is needed to identify and master the problems posed for mankind by population growth, pressure on natural resources and the effects of technical change. We believe that our economic strength can and will benefit people everywhere, those most afflicted by hunger, poverty and disease, as well as our own fellow-citizens.

In our discussions in London we have dedicated ourselves to reaffirming the value of our principles and institutions, to strengthening the unity of the nations committed to democratic freedom and to increasing the welfare of mankind, now and in the future, by the example of political systems that endorse the rule of law and by the fruits of the economic achievements which those systems help to make possible.

Lord Quinton

15 May 1984



CCPC

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The London Charter

We, the Heads of State and Government of seven major industrial countries with the President of the Commission of the European Communities, assembled in London from the 7th to the 9th of June 1984, affirm our commitment to the values which underlie and bring together our societies. *sustain*

We believe in a rule of law which 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.

We believe in a system of *whole* pluralist democracy ~~to~~ ensure genuine choice in elections freely held, free expression of opinion with full respect for dissent, and capacity to respond and adapt to change in all its aspects.

We believe in a mixed economy in which ~~individual~~ enterprise can best flourish within the social framework to promote sustained growth, and in which the discoveries of the continuing technological revolution can best be applied to the benefit of all.

We believe in close partnership with each other in the conviction that this will reinforce political and economic stability in the world as a whole. We look for cooperation with all countries on the basis of respect for their independence and territorial integrity, regardless of differences between political, economic and social systems, and reaffirm our determination to help those who most need it.

We believe in the paramount need for peace among and between the peoples of the world. We reject the use of force

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as a means of settling disputes and will maintain only the military strength necessary to deter aggression and ensure effective defence. We reaffirm the statement made on defence and disarmament at Williamsburg in May 1983. Our dedication to the rule of law, democracy and individual freedom is a guarantee of our commitment to closer and more open international relationships.

We know that strong in these beliefs our countries enjoy unrivalled diversity, creativeness and <sup>in our</sup> dynamism. With such a heritage we look forward to the future with confidence.

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The London Charter (FCO ~~init~~).

We, the Heads of State and Government of seven major industrial countries with the President of the Commission of the European Communities, assembled in London from the 7th to the 9th of June 1984, affirm our commitment to the values which underlie and bring together our societies.

We believe in a rule of law which protects without fear or favour the rights and liberties of every citizen, and provides the <sup>conditions</sup> ~~setting~~ in which the human spirit can develop in freedom and diversity.

We believe in a system of ~~pluralist~~ <sup>which</sup> democracy to ensure genuine choice in elections freely held, free expression of opinion with full respect for dissent, and capacity to respond and adapt to change in all its aspects.

draft We believe in a mixed economy in which individual enterprise can best flourish within the social framework <sup>(not state)</sup> to promote sustained growth, and in which the discoveries of the continuing technological revolution can best be applied to the benefit of all.

We believe in close partnership with each other in the conviction that this will reinforce political and economic stability in the world as a whole. We look for cooperation with all countries on the basis of respect for their independence and territorial integrity, (regardless of differences between political, economic and social systems), and reaffirm our determination to help those who most need it.

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