



Prime Minister

Foreign and Commonwealth Office

To note X and to  
see enclosed summary.

London SW1A 2AH

5 June, 1984

A.S.C. 6/6.

Dear John,

London Economic Summit: Messages

In your minute of 24 May to Richard Hatfield in the Cabinet Office, you wrote about messages to the Prime Minister about the Summit.

I enclose a self-contained note containing a summary of the main points in these messages. The originals of the messages from the UN Secretary-General and the European Employers are also enclosed. The Cabinet Office is content that our note should form an annex to the Steering Brief for the Summit. We do not suggest that prominence should be given to these messages, but the Prime Minister may wish to tell her Summit colleagues that she has received messages from the UN Secretary-General, the Commonwealth Secretary-General, the Prime Ministers of India and Australia, and from several organisations. Copies of those not already sent to Summit partners will be made available through Personal Representatives.

We think that it would be appropriate for the Prime Minister to send replies to the various messages in advance of the Summit. This would avoid the need to send substantive replies afterwards. But it would not rule out a substantive reply to any of those to whom the Prime Minister wished to devote more attention. Where, for example, we are making special arrangements to brief the originator of a message (eg the Australians, the Indians and the Commonwealth) a substantive reply would seem unnecessary.

As far as the United Nations is concerned it is customary for the Summit host's Permanent Representative at the United Nations to circulate the Summit documents. We propose to do the same this year. No other substantive reply would seem necessary.

The Prime Minister has already sent a reply to Mrs Gandhi. You have acknowledged the approach from the International Chamber of Commerce. I enclose draft acknowledgements for the remainder.

The Prime Minister has also received approaches from the Trade Union Advisory Committee to the OECD and, in February, the Chairman of the Latin American Economic Conference in Quito. We do not consider that any further action is needed.

Submitted  
separately.  
AA 6/6

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etc

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Sir Geoffrey Howe has also received a message from the Indonesian Foreign Minister in his capacity as Chairman of the Standing Committee of ASEAN. (This is presumably the ASEAN message to which Mr Hawke's message refers). The Foreign Secretary has sent an acknowledgement. We are making arrangements to brief ASEAN after the Summit. With this in mind we do not consider that a further personal message is necessary.

Both the Mexicans and Algerians have approached our missions and those of other Summit partners in the name of the G77 calling for the Summit to consider Global Negotiations and their relaunching. Our missions have provided discouraging replies.

I am copying this letter and its enclosures to Richard Hatfield (Cabinet Office) and David Peretz (HM Treasury).

*Yours ever,  
Peter Ricketts*

(P F Ricketts)  
Private Secretary

A J Coles Esq  
10 Downing Street

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MESSAGES TO THE PRIME MINISTER ABOUT THE LONDON ECONOMIC SUMMIT

(a) UN Secretary-General

The focus of Mr Perez de Cuellar's message was developing country issues. After making clear his rather formal support for the reduction of protectionist barriers, he examined in detail the "dramatic situation" in Africa. He called for an urgent response to the need for additional emergency resources, for arrangements to overcome the shortfall on IDA funding and for action to stabilise and strengthen commodity markets and earnings. On the debt issue he called for a longer period to allow debtor countries to adjust their economy supported by additional liquidity and long-term finance. Finally he wanted the Summit to overcome the remaining obstacles to the start of Global Negotiations, although he did not use that phrase.

(b) The Commonwealth Secretary-General

Mr Ramphal sent 2 messages to the Prime Minister. The first concerned the Summit in the context of the Commonwealth Heads of Government meeting in New Delhi in November and the follow-up work. There was a need for international monetary reform and endorsement by the Summit of the work of the Commonwealth Consultative Group. Mr Ramphal liked the idea of a group on the lines of the Committee of 20 to pursue monetary reform. He also sought an authoritative statement on indebtedness from the Summit. Finally he urged a top level impetus to these issues and on aid to the poorest.

The second message contained the text of the statement at the conclusion of the 20th meeting of the United Nations Committee for Development Planning of which Mr Ramphal has just been made Chairman. It covered much the same areas as the Commonwealth Secretary-General's direct message to the Prime Minister.



(c) Prime Minister of India

Mr L K Jha, Mrs Gandhi's special adviser on international affairs, delivered a pre-Summit message to the Prime Minister on 18 May. The thrust of Mrs Gandhi's message was a call for a renewal of the dialogue between developed and developing countries and in particular for an international monetary conference. The Prime Minister told Mr Jha that before setting up another forum we needed to work on the solutions. She said Summit leaders would discuss the message and that the UK would be sending an emissary to India afterwards. A reply has already been sent to Mrs Gandhi.

(d) Prime Minister of Australia

Mr Hawke's message was mainly about trade issues, urging all Summit participants to be quite specific in their commitment to multilateral trade liberalisation; the Summit should adopt a responsible long-term perspective which recognised global interdependence and the interests of non-Summit countries. He referred to the deliberations of the Western Pacific countries at the end of April/beginning of May on the approach to a new round of trade negotiations and to the recent meeting of the US Trade Representative. Mr Hawke's views on completing existing liberalisation commitments unimpeded by any new trade round are close to our own. But he is more specific on what a new round should contain.

(e) The Union of European Employers (UNICE)

A UNICE resolution called for the major industrial countries to pursue policies to ensure that the recovery is sustained and spread more widely. Policies should be based on medium-term objectives and designed to maintain the open trading system. UNICE's approach is close to that of the British Government. UNICE pointed out that there was a close similarity between the recommendations of the European Employers before Williamsburg and the outcome of that Summit itself.



(f) Interaction Council

Among the signatories of the telex to the Prime Minister from the Interaction Council were former Prime Ministers of Australia, Japan and West Germany together with Dr Waldheim. They focused on financial issues and urged that a statement be made now indicating that these were high on the agenda for the Summit. They wanted a comprehensive approach to debt to maintain confidence in the international banking system and to reduce interest rates.

(g) International Chamber of Commerce

The ICC's submission was that economic recovery was the key to resolving debt problems. Protectionism and high interest rates (by implication the result of high fiscal deficits) were threats both to recovery and to the position of debtors. The Summit should recognize the linkages between these issues and develop a comprehensive and integrated approach.