

cc. Sir P. Cradock
Mr. Ingham



10 DOWNING STREET

From the Private Secretary

SIR ROBERT ARMSTRONG

LONDON ECONOMIC SUMMIT: ORDER OF DISCUSSION

The Prime Minister has given further thought to the order in which she wishes matters to be discussed by Heads of State or Government at the Summit. She considered certain changes with the Foreign and Commonwealth Secretary this afternoon. The changes decided upon do not alter greatly the proposals contained in your letter to your Sherpa colleagues. The main alterations are:-

- A The addition of the Gulf to the political matters which will be discussed at dinner on Thursday, 7 June.
- B The deletion of international terrorism from the items to be discussed on the morning of Friday, 8 June.
- C The Prime Minister hopes that it will be possible at lunch on 8 June not only to continue the discussion of political issues but to approve the conclusions for release to the press.
- D At about 5 o'clock on Friday, 8 June, the Prime Minister will invite the plenary session to approve the political conclusions, if this has not been done earlier. The meeting will then proceed to discuss international terrorism (the Americans made it clear when they were at No. 10 Downing Street last night that they were looking for a substantive discussion of this subject - and were much less concerned about the content of any press release). The aim will be to approve a press release on this subject but if there is not time at the plenary session the press release might be considered over dinner at the National Portrait Gallery or first thing in the morning of Saturday 9 June.

For ease of reference for you and all other recipients of this minute, I annex a new order of discussion reflecting the Prime Minister's latest decisions.

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I am copying this minute, with its annex, to
Mr. Ricketts, Mr. Peretz, Mr. Barrington and Mr. Ingham.

A. J. Cole.

6 June 1984

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ANNEX

ORDER OF DISCUSSION

Thursday 7 June

8.00 pm	Dinner at 10 Downing Street	Agenda for the Summit Political Issues: Statement of Democratic Values East-West Relations Arms Control and Disarmament The Gulf
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Friday 8 June

9.30 am	Restricted session at Lancaster House	Economic discussion: first round Approve statement on democratic values
1.00 pm	Lunch with Foreign Ministers at Lancaster House	Continue discussion of political issues and aim to approve con- clusions for release to press. Sir Geoffrey Howe to report on Foreign Ministers' discussions
2.30 pm	Plenary Session at Lancaster House	Continue economic discussion Mr. Lawson to report on Finance Ministers' discussion
5.00 pm		Either approve political conclusions (see above) or discuss international terrorism
8.00 pm	Dinner at National Portrait Gallery	Continue political discussions

Saturday 9 June

9.30 am	Plenary Session at Lancaster House	Continue economic discussions Consider draft economic declaration
1.00 pm	Plenary Lunch at Lancaster House	

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(2.30 pm	Plenary Session	Complete consideration of draft economic declaration and approve it, if not completed and approved at morning session.)
4.00 pm	Guildhall	Prime Minister to read economic declaration
8.30 pm	Buckingham Palace	The Queen's Banquet

My dear Colleague,

You may find it helpful to have this account of the Prime Minister's proposals for ordering discussion by Heads of State or Government at the London Economic Summit.

Thursday 7 June

8.00 pm Dinner at 10 Downing Street

Agenda for the Summit
Political issues:
Statement of Democratic Values
East-West relations
Arms control and disarmament

Friday 8 June

9.30 am Restricted session at Lancaster House

Economic discussion: first round

Approve statement on democratic values

International terrorism

1.00 pm Lunch with Foreign Ministers at Lancaster House

Continue discussion of political issues.

Sir Geoffrey Howe to report on Foreign Ministers' discussions

2.30 pm Plenary session at Lancaster House

Continue economic discussion.

Mr Lawson to report on Finance Ministers' discussion

5.00

Either approve political conclusion (see above) or discuss international terrorism

Continue political discussions

8.00 pm Dinner at National Portrait Gallery

Saturday 9 June

9.30 am Plenary session at Lancaster House

Continue economic discussions

Consider draft economic declaration

1.00 pm Plenary lunch at Lancaster House

[2.30 pm] [Plenary session]

[Complete consideration of draft economic declaration and approve it, if not completed and approved at morning session]

Pls and time
and aim to approve conclusion to be released to press

Either approve political conclusion (see above) or discuss international terrorism

The Gulf

4.00 pm Guildhall

Prime Minister to read
economic declaration

8.30 pm Buckingham Palace

The Queen's Banquet

With best wishes,

Robert Armstrong

cc PC.

FROM: A R H BOTTRILL
DATE: 6 JUNE 1984

MR PERETZ

cc ~~Mr Coles (No 10)~~ ^{MR 76}

PS/Foreign Secretary (FCO)
Mr Tait (FCO)

Mr Hatfield (Cabinet Office)
Mr Colvin " "

SUMMIT: INTERNATIONAL MONETARY MATTERS

Mr Littler has suggested that the Chancellor and others might find it helpful to have a copy of the G10 Ministers' communique with them. It goes with brief No 4 in the Summit series.

for Marie Halverson
A BOTTRILL

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TO WASHINGTON TELNO | SAVING OF 24 MAY 1984
AND SAVING TO PARIS, ROME, TOKYO, OTTAWA, BONN, BRUSSELS,
STOCKHOLM, THE HAGUE, BERNE, OSLO, CANBERRA, WELLINGTON,
UKDEL IMF/IBRD WASHINGTON, UKREP BRUSSELS, UKMIS NEW YORK,
UKMIS GENEVA, UKDEL OECD PARIS

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for d.k.

COMMUNIQUE OF G10 MINISTERIAL MEETING, ROME, 19 MAY 1984

1. The Ministers and Central Bank Governors of the countries participating in the General Arrangement to Borrow (GAB) met in Rome on May 19, 1984 under the Chairmanship of Mr. Giovanni Goria, Minister of the Treasury of the Italian Republic. The Managing Director of the International Monetary Fund, Mr. J. de Larosière, took part in the meeting, which was also attended by Mr. E. van Lennep, Secretary-General of the Organisation for Economic Co-operation and Development, Mr. A. Lamfalussy, Assistant General Manager of the Bank for International Settlements, and Mr. F.-X. Ortoli, Vice-President of the Commission of the European Communities.

2. The Ministers and Governors heard a report by the Chairman of their Deputies, Mr. Lamberto Dini, on the progress of the Deputies' work devoted to an examination of the conditions necessary to improve the functioning of the international monetary system. As agreed by the Ministers and Governors, that work has focused on four themes: (1) the functioning of floating exchange rates; causes of volatility and trend movements in exchange rates; (2) ways to strengthen multilateral surveillance, with a view to promoting greater policy coordination and exchange rate stability; (3) the management of international liquidity; and (4) the future role

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of the IMF. The Ministers and Governors expressed satisfaction with the progress made to date and instructed their Deputies to continue their work in an urgent and thorough manner, with a view to submitting a final report during the first half of 1985.

3. With respect to the functioning of the floating exchange rate system, the Ministers and Governors noted that it had made a positive contribution to the maintenance of international trade and payments and to the adjustment process in a difficult global environment. They were of the view that a return to a generalised system of fixed parities was unrealistic at the present time. They expressed varying degrees of dissatisfaction with some aspects of the working of the system and they were convinced that it should be improved. The Ministers and Governors agreed that greater convergence of economic performances and compatibility of sound non-inflationary policies would make an essential contribution to growth and exchange rate stability. They also recognised the useful role that can be played by co-ordinated intervention in countering disorderly exchange market conditions.

4. The Ministers and Governors affirmed the need to strengthen multilateral surveillance over countries' policies, particularly within the context of the IMF, and make its mechanisms and procedures more effective. A number of suggestions to that effect have been made, and it will be necessary

to examine them in more detail before agreeing on specific measures and actions.

5. The Ministers and Governors noted that the area of international liquidity has received only preliminary consideration, and that a number of important questions remained to be addressed. Among these were the process of creation, control, and distribution of international liquidity, the role of the international financial markets, and that of the SDR. As regards allocations of SDRs they recalled that at the recent IMF Interim Committee meeting they had agreed to consider the matter again in September.

6. The Ministers and Governors noted that their Deputies' work on the future role of the IMF was also at a preliminary stage. They agreed that it was essential to maintain and safeguard the monetary character of the IMF, and they attached particular importance to the revolving nature of its financing. They emphasized the principle that Fund financing was available with appropriate conditionality to support balance of payments adjustment in member countries. They also stressed the need for closer cooperation between the IMF and the IBRD, and noted the valuable contribution that the latter institution can make in fostering structural adjustment.

7. The Ministers and Governors expressed their gratitude to the Italian authorities for their most cordial hospitality and for the excellent meeting arrangements.

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COPIES TO: MR LAVELLE,
HM TREASURY