



Ref. A09601

MR COLES ✓

Prime Minister

The message to President Reagan  
needs to go today. Agree that it  
should be sent on the hot line?

Yes with  
slight amendments  
A. J. C. 30/9

Economic Summit

Your telegram no 567 of 21 September from Tokyo said that in her discussions with the Japanese Prime Minister on 20 September the Prime Minister expressed concern that the leaders of the seven industrialised countries were not planning to meet until next June, in view of the deterioration of the world economic and financial situation since the Versailles Summit, *and suggested that they should meet well before then.* Mr Suzuki described the suggestion as a very good one, and the Prime Minister and he agreed that it would be desirable for the possibility to be discussed at the next meeting of Personal Representatives. You asked for advice to be submitted on the Prime Minister's return from the Far East.

2. The present state of preparations for the 1983 Economic Summit is that at Versailles President Reagan invited his colleagues for the next Summit in the United States. The date was left open, but the assumption was that it would be in the summer. The European Personal Representatives have indicated that it would be preferable for the meeting to take place before the end of June, while the Federal Republic of Germany holds the Presidency of the European Community; this would avoid the problem we encountered last year, of having to invite the Prime Minister of a non-Summit Community country to the Summit because that country holds the Presidency. In the second half of next year the Presidency will be held by Greece.

3. President Reagan has now issued a formal invitation to his colleagues to attend an Economic Summit in Williamsburg, Virginia, from Friday 10 to Sunday 12 June 1983. He is asking for a reply in time for a Press announcement to be made on Friday 1 October. The dates proposed clash with Trooping the Colour, which is on 11 June.

4. Sir Antony Acland, to whom your telegram was copied, has discussed with the Foreign and Commonwealth Secretary the question of advancing the date of the Summit. The Foreign and Commonwealth Secretary thought that it would be easier to take a definite view on this after his discussions in New York



this week on the pipeline and related issues; but there are a number of considerations which he thought - and I agree - would have to be taken into account. I suppose that, now that President Reagan has issued a definite invitation, the Foreign and Commonwealth Secretary may well find himself discussing this matter with Mr Shultz in New York.

5. A decision to advance the date of the 1983 Summit to February, or to hold a special meeting early in the year in addition to a "normal" summer meeting, would clearly be seen as something out of the ordinary. It would be, and would no doubt be recognised as, a response to the deterioration in the world economic and financial situation; but it would be important so to present the decision as not to create an impression of panic or increase the nervousness of the international banking system and the markets. If a decision was taken and announced early enough, it should be possible to achieve that.

6. More difficult, a decision to call an early Summit would generate expectations about its outcome. An early Summit that produced no result or, still worse, an impression of division, on transatlantic economic issues or indeed more widely, could be more damaging than not having an early Summit at all. It would be preferable - though this would obviously be very difficult to achieve - not to decide to have an early Summit unless or until one could be reasonably sure of a positive outcome.

7. It is in any case necessary in this context to have an eye on the state of transatlantic economic relations. The Versailles Summit was bedevilled by the argument between the United States and the European partners about East/West economic relations and particularly about the pipeline; an early Summit that developed into another wrangle about that would not help matters.

8. Another ingredient of uncertainty is the political situation in the Federal Republic. If Herr Kohl wins his constructive vote of confidence later this week or next week, my understanding is that he proposes to call Federal elections in March. The Federal Chancellor would come to a Summit with more authority after than before those elections.

9. The next meeting of Personal Representatives is not on present form due to be held until late November or early December. If we wanted to pursue the idea of an early Summit, we should take the initiative in calling a much earlier meeting of Personal Representatives.



10. President Reagan's decision to issue a formal invitation for June 1983, with a 48 hour deadline and no preliminary consultation among Personal Representatives or anyone else, clearly makes it necessary to take a very early view on whether and how to follow up the Prime Minister's suggestion to Mr Suzuki. Even without that, the next step would, I think, have been for the Prime Minister to put the idea to President Reagan in a personal message, since the United States are next year's hosts. Given that there clearly has to be some reaction to President Reagan's message immediately, even if it is only to ask for more time, perhaps the best course might be for the Prime Minister to send a message on the lines of the draft attached to President Reagan, with copies to the other Summit Heads of State or Government.

11. The Foreign and Commonwealth Secretary (still in New York) is being consulted on this matter by Sir Antony Acland, who should know his views tomorrow. Sir Antony Acland agrees generally with this minute and specifically with the draft message, and is advising accordingly. ~~Sir Douglas~~ Wass also agrees that this is the right line to pursue.

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

RIA

ROBERT ARMSTRONG

29 September 1982

PS. Since signing this I have learnt that President Mitterrand is likely to respond to the effect that he cannot commit himself at this short notice, and to suggest that the matter be discussed at the next meeting of Personal Representatives.



DRAFT

PERSONAL MESSAGE TO PRESIDENT REAGAN

~~cc The President of the French Republic  
The Federal Chancellor, the Federal Republic of Germany  
The Prime Minister of Canada, Italy and Japan  
The President of the European Commission~~

*Dear Ron,*

Thank you very much for your message of 28 September and for your invitation to attend the Economic Summit in the United States from 10 to 12 June next year.

2. As it happens, I am afraid that those dates would be very difficult for me. Saturday 11 June is the date of the annual Trooping The Colour parade at which The Queen takes the salute. ~~and I should very much prefer not to have to be out of the country at that time and to miss the~~ <sup>and I should very much</sup> <sup>prefer not to have to be out of the country at that time and to miss the</sup> <sup>parade.</sup>

*present at the*

3. But there is another point which I should like to put to you. As you know, I have just come back from a visit to Japan (among other places), and when I received your message I was on the point of writing to you myself to raise with you the possibility, which I discussed with Mr Suzuki, of bringing the date of next year's Summit forward from June to ~~much~~ <sup>or April</sup> earlier in the year, perhaps February. The world economic and financial situation has considerably deteriorated since we met at Versailles, and I wonder whether we can wait as long as June before meeting our colleagues again and considering among ourselves how the industrialised countries should respond to the situation as it is now developing. (Mr Suzuki welcomed this suggestion, and told me that, if the rest of his colleagues agreed to the proposal, he would support it.)

4. If there was general agreement that we should meet earlier than June, that would obviously have a bearing on the invitation you have just issued, and I wonder whether we might take a little more time to think about it, before any announcement is made. I can see the risks of holding an early meeting: in particular, that it would generate expectations of a positive outcome, and a failure to satisfy those expectations could be



more damaging than not holding a meeting till June. But it might be right to run that risk, and work hard for a positive outcome which might help to restore a greater measure of confidence and to stem or even reverse the deterioration of the situation.

5. Clearly this is something on which your own view, as the President of the largest of the industrialised countries and as our host next year, will be <sup>crucial</sup> ~~of special importance~~. But our other colleagues may also wish to express their own views on the suggestion, and ~~I am therefore sending copies of this message to each of them~~. Perhaps the best way of carrying this forward would be for there to be an early meeting of our Personal Representatives. ~~My~~ My Personal Representative would be ready to attend such a meeting in Paris or Washington; or if you thought that that would be helpful, I should be very happy to instruct him to host a meeting here in London as soon as that could be arranged. In the meantime, perhaps we might suspend action on the invitation which you have just so generously sent us.

*with best wishes. Margaret.*

*M. M. 10. 1*



DRAFT PERSONAL MESSAGE TO PRESIDENT REAGAN  
FROM THE PRIME MINISTER

Dear Ron

Thank you very much for your message of 28th September and for your invitation to attend the Economic Summit in the United States from 10th to 12th June next year.

2. As it happens, I am afraid that those dates would be very difficult for me. But there is another point which I should like to put to you. As you know, I have just come back from a visit to Japan (among other places), and when I received your message I was on the point of writing to you myself to raise with you the possibility, which I discussed with Mr. Suzuki, of bringing the date of next year's Summit forward from June to earlier in the year. The world economic and financial situation has considerably deteriorated since we met at Versailles, and I wonder whether we can wait as long as June before ~~meeting our colleagues again and~~ considering <sup>together</sup> ~~among ourselves~~ how the industrialised countries should respond to the situation as it is now developing. Mr. Suzuki welcomed this suggestion, and told me that, if the rest of his colleagues agreed to the proposal, he would support it.

3. As George Shultz will have told you, the subject of the next Economic Summit came up when he and Francis Pym met over dinner in New York on 29th September with their French and German colleagues. I understand that there was some support for the view that we might usefully consider the possibility of meeting somewhat earlier. There would be a risk that the media would try to blow that up as a crisis and to raise expectations accordingly. I am sure that we should be able to handle this by sensible briefing; but it would be much more difficult to do so if we had already announced a date in June. If you could avoid announcing a date for the time being, so that the possible advantages of an earlier meeting could be considered, this would be very helpful.



4. Perhaps the best way of carrying this forward would be for there to be an early meeting of our Personal Representatives to discuss the possibility of an earlier meeting and the question when, if there were to be such a meeting, it might be held. I have no settled views on that; perhaps the second half of March might be possible. There would be a number of considerations to be taken into account, and an early meeting of Personal Representatives should be able to produce recommendations to us in a reasonably short time. My Personal Representative would be ready to attend such a meeting in Paris or Washington; or if you thought that that would be helpful, I should be very happy to instruct him to host a meeting here in London as soon as that could be arranged.

5. In the meantime, perhaps we might suspend action on the invitation which you have just so generously sent us.

*With warmest best wishes.  
Yours ever. Margaret.*



*N. byham informed.*

*A. J. C. 22/10*

Ref. A09828

MR COLES

Economic Summit 1983

On receipt of your minute of 21 October, I spoke to President Reagan's Personal Representative at 3.00 pm this afternoon London time, and told him that the Prime Minister was prepared to attend the Economic Summit between 28 and 30 May.

2. Mr Wallis told me that the announcement would not now be made today. They needed to consider exactly how it should be worded, to reflect the fact that the Japanese Government were in difficulty about accepting an absolute commitment for Mr Suzuki's as yet unknown successor. It was not going to be possible to put the proposed dates to the President of the French Republic until late this evening Paris time. They still had to hear from the Germans. Subject to all these points, they hoped to put out an announcement over the weekend. I was promised advance notice.

3. I am sending copies of this minute to Mr Fall (Foreign and Commonwealth Office) and Mr Kerr (Treasury).

ROBERT ARMSTRONG

22 October 1982





ECON POLICY

file 16

10 DOWNING STREET

*From the Private Secretary*

SIR ROBERT ARMSTRONG

ECONOMIC SUMMIT 1983

Thank you for your minute of today's date.

The Prime Minister is prepared to attend the Economic Summit between 28 and 30 May.

I am copying this minute to Mr. Fall (Foreign and Commonwealth Office) and Mr. Kerr (H.M. Treasury).

A. J. COLES

21 October 1982



Ref. A09817

MR COLES

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Economic Summit 1983

- I have received a further message from President Reagan's Personal Representative, a copy of which I attach.
2. If I am to say that we cannot accept the dates now proposed - 28th-30th May - I shall need to do so today.
  3. These dates cover the weekend (Saturday to Monday) of the Spring Bank Holiday. I should have preferred not to have to ask the Prime Minister to break into what might otherwise be a brief respite from the pressure of business; but that is what is now proposed. As you know, the following weekend, which President Reagan had in mind earlier in the week, would have clashed with the European Council.
  4. May I let Mr Wallis know that this date will be convenient for the Prime Minister?
  5. I am sending copies of this minute to Mr Fall (FCO) and Mr Kerr (Treasury).

ROBERT ARMSTRONG

21st October 1982



EMBASSY OF THE  
UNITED STATES OF AMERICA  
London

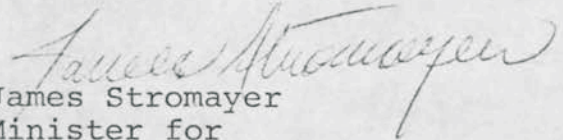
October 21, 1982

Sir Robert T. Armstrong, KCB, CVO  
Secretary of the Cabinet  
Cabinet Office  
Whitehall  
London SW1A 2AS

Dear Sir Robert:

We have been asked to deliver the attached message to you from Under Secretary for Economic Affairs, Allen Wallis, which was received at the Embassy this morning.

Sincerely,

  
James Stromayer  
Minister for  
Economic Affairs

Enclosure

SECRET

4.

SECRET

Dear Sir Robert:

I appreciate your prompt response to our proposal concerning the dates for the 1983 Summit of Industrialized Countries. As you may know, the dates indicated by the President, June 10-12, 1983, were not universally convenient.

We have explored a number of alternative dates, trying to the extent possible to accomodate all the preferences. Since these ranged from "no earlier than July 1" to "preferably no later than mid-April", you can appreciate our problem

After careful consideration of all the elements, the President has decided that May 28-30, 1983 meets as many of his colleagues' preferences as possible. I must emphasize that these dates are the only ones that meet all the requirements to be considered. Based on our previous communications, I am assuming that you can accept them. The White House will announce these dates Friday morning, October 22.

I look forward to seeing you soon so we can have a more leisurely discussion of the Summit and its preparation.

Sincerely,

Allen Wallis

SECRET

Econ Pol  
Summits  
Pt 11

CONFIDENTIAL



FILE

RM  
Econ Pol

10 DOWNING STREET

*From the Private Secretary*

SIR ROBERT ARMSTRONG  
CABINET OFFICE

ECONOMIC SUMMITS

Thank you for your minute of 20 October. The Prime Minister agrees that, in your discussion with Mr Wallis, you should take the line suggested in your paragraphs 3 and 4. In addition, Mrs. Thatcher has commented that the declaration issued at the end of the summits should be short and has suggested it may not be necessary for personal representatives to meet more than twice before each summit.

I am copying this minute to Brian Fall (FCO) and John Kerr (HM. Treasury).

A. J. COLES

22 October, 1982

CONFIDENTIAL

Now is the time to influence the  
organisation of the next summit.  
Are you content with paras. 3 & 4 below?

Ref. A09808

MR COLES

Yes

A. J. C. 21/10

Economic Summits

Thank you for your minute of 18th October.

2. If the Prime Minister agrees, when I see Mr Wallis on 25th October, I would propose to base myself on the letter which I sent to Sir Antony Acland on 27th September, of which I sent you a copy at the time; I attach another copy herewith. Sir Antony Acland has told me that he agrees with the recommendations which it contains.

3. Briefly, I would propose to make the following points:

- (i) The Prime Minister warmly agrees with the President that Summit meetings are an especially valuable opportunity for frank, candid and direct conversation among the Heads of State or Government, and that it is important to have the time and the atmosphere for an informal "give and take".
- (ii) The primary objective of Summit meetings should be to have a frank and direct discussion, and not to produce a series of specific agreements.
- (iii) The bureaucratisation of the preparatory process has increased in direct proportion with the media concentration on Summits and the heightened expectations which that generates. We should find ways of encouraging the media not to have or to generate excessive expectations. The temptation to make Economic Summits spectacular media events should be resisted; and, if possible, media representation (particularly by the American press!) should be reduced.



*Short*

(iv) On the other hand it is not conceivable that there should be such a meeting without some declaration at the end of it. It is desirable and important that there should be an agreed text; if there is not, the various Heads of State or Government will each give their own briefings, putting a different slant on the discussions, and the media will look for and highlight differences and not points of agreement. We need a basic text, agreed by all those concerned. Given that there is only a limited amount of time at the Summit, that makes a minimum of preliminary preparation inevitable and indeed desirable.

*Kevin?*

4. This suggests that the Personal Representatives should be retained as the instrument by which Economic Summits are prepared; that they need to be truly representative of their principals; they need to meet as far as possible on their own, not accompanied by large numbers of "experts"; they should meet as infrequently as possible before the Summit; they should not be tasked to produce agreed subject reports; and the only output of their discussions should be recommendations to Heads of State or Government on the shape, structure and contents of a declaration - which will no doubt take the form of a draft - so as to facilitate the final preparations of a declaration at the Summit itself without making a straitjacket for discussion by the Heads of State or Government.

5. As Mr Wallis will be here on 25th October, I suggest that it would be best for me to have my discussion with him, on the basis of the line suggested above, if the Prime Minister is content with it, and then to offer the Prime Minister a draft reply to the President's letter, which can take account of that discussion.

6. I am sending copies of this minute to Mr Fall and Mr Kerr.

RA

ROBERT ARMSTRONG

20th October 1982



Econ Pal

# Economic Summit

PK 11

CONFIDENTIAL

It is an exciting time at this moment for all of us here.

CONFIDENTIAL

CONFIDENTIAL



PERSONAL

Ref: A09575

27th September 1982

Julian Bullard wrote to me on 24th September, asking what line I should like you to recommend the Foreign and Commonwealth Secretary to take, if there is discussion of the management of economic summits at his meeting next week.

As I understand it, the seven-nation economic Summits were originally conceived, following President Giscard d'Estaing's suggestion in 1975 in the wake of the first oil price crisis, as an opportunity for the Heads of State or Government of the seven leading industrialised countries to confer informally among themselves about the international economic and monetary situation and prospects; to compare notes about the position in their own countries; and to arrive at as much agreement as possible on the way forward, so that as far as possible the industrialised countries were leading the world economy in the right direction and not frustrating each other by pursuing beggar my neighbour policies.

Experience at the first Summit at Rambouillet in 1975 suggested that such meetings would benefit from some advance preparation. The leaders wanted to keep the closest possible association between themselves and the preparatory process, and to avoid the risk of its becoming too structured, cumbersome and bureaucratic that might arise if it was undertaken through normal diplomatic channels. Hence the institution of the Personal Representatives, or Sherpas.

In my experience, now covering three Summits, the Personal Representatives have been and can continue to be a valuable and very effective body for the purpose of making the necessary preparations - and no more than necessary preparations - for an Economic Summit, so long as those involved really do represent the views of the leaders whose Personal Representatives they are, so long as they are not inappropriately tasked, and so long as they can meet privately and without publicity.

/There needs

Sir Antony Acland, KCMG, KCVO

PERSONAL  
SECRET - BURNING BUSH

There needs to be some preparation for Economic Summits. Heads of State or Government meet for only two days. Some declaration at the end is unavoidable. The time available at the Summit is simply not long enough to provide sufficient time for a full substantive discussion of all the issues, drafting ab initio, and discussion and clearance of the draft at Summit level. Discussion among Personal Representatives can serve to establish in advance the issues on which Heads are likely to be in broad agreement and need not therefore spend much time, and to identify the issues on which there is a measure of disagreement which the Heads may be possible to reduce or eliminate in discussion. Personal Representatives, provided that they are properly in touch with their principals' thinking, can also establish a consensus about the broad structure and approach of a declaration, and take preliminary drafting some way, without allowing it to become set in concrete.

I think that three main factors have accounted for the persistent sense among Heads of State or Government that economic summits have become overly structured.

First, summits have become great media events. Prodigious numbers of journalists turn up; great expectations are generated, and with them strong pressures to find ways of meeting those expectations. The spectacular quality of Venice and Versailles contributed to those tendencies.

Second, President Carter set great store by what his Personal Representative called specificity: he insisted that the Summit communique should include a raft of highly specific commitments. If such commitments were to be agreed at the Summit, they had in practice to be the subject of detailed discussion and definition in advance by experts. This gave rise to an international bureaucratic apparatus extending well beyond Personal Representatives, which has not entirely withered away (cf. the High Level Energy Monitoring Group set up at Venice and the Technology Group set up at Versailles). The Prime Minister has consistently urged the case for very short communiques of a political nature, and progress has been made. The Ottawa communique was shorter than the Venice communique, and President Mitterand's insistence on a short political declaration, ably given effect by his Personal Representative with the Prime Minister's Personal Representative's strong support, led to a much more satisfactory declaration at Versaille.

Third, some countries - notably Japan and the United States - have insisted on sending large delegations to meetings of Personal Representatives: their Sherpas seem to have to be accompanied by representatives of every Department whose business is involved. This tends to diminish the informality of meetings and the frankness with which the Personal Representatives themselves are prepared to speak to each other.

At the Venice Summit the Personal Representatives were commissioned to produce a study of aid policies and practices for the Ottawa Summit. The result showed clearly that, if Heads want to minimise bureaucratisation, they should not commission Personal Representatives or any one else to produce reports which have to be textually agreed among the seven countries. On the

/other

hand it can be useful for one Personal Representative to produce for discussion with his colleagues a paper for which he alone is responsible and which does not have to be agreed in detail.

In the light of this, my recommendations are:-

- (i) Economic Summits should be regarded primarily as opportunities for general political discussion of world economic problems and issues at the highest political level, and not as occasions for concluding specific agreements. Communiqués should be kept short, political and high-level. Individual delegations should be sternly restricted in numbers.
- (ii) The media should be encouraged not to have or to generate excessive expectations of Economic Summits. If possible, media representation should be substantially reduced.
- (iii) The temptation to make Summits spectacular media events should be resisted. Venice and Versailles were stunning venues, but not businesslike. The log cabin at Montebello was much better: all the principals under one roof, delegations restricted to fifteen each, and the media well segregated (at Ottawa 40 miles away).
- (iv) The Personal Representatives should be retained as the instrument by which Economic Summits are prepared.
- (v) The Personal Representatives should be tasked:-
  - (a) to establish issues on which there is a broad measure of agreement and the Heads do not need to spend much time;
  - (b) to identify issues on which there is a measure of disagreement which the Heads should seek to reduce or eliminate;
  - (c) to make recommendations to the Heads on the shape, structure and contents of a declaration, so as to facilitate the final preparations of a declaration at the Summit without making a straitjacket for discussion.
- (vi) The Personal Representatives should not be commissioned to produce agreed subject reports (like the aid study commissioned at Venice).
- (vii) Personal Representatives should meet as infrequently as possible. Three or at most four meetings before each Summit should be enough for adequate preparation.

/ (viii)

(viii)

PERSONAL SECRET - BURNING BUSH  
Each Personal Representative should be truly representative of the Head of State or Government he represents and be able to speak with authority accordingly (this has not so far appeared to be the case with President Reagan's Personal Representatives).

(ix)

Personal Representatives should meet as far as possible on their own; meetings at which they are accompanied by experts should be kept as few as possible; and at "plenary" meetings no Personal Representative should be accompanied by more than two experts (the worst offenders in this respect have been the Japanese, the Americans and the Italians).

(x)

There should be no publicity for meetings of Personal Representatives.

President Reagan is to host the next Summit in 1983. I believe that he is expected to invite his colleagues to a venue in California. It will be important to hold the Summit before the end of June 1983: until then the Federal Republic of Germany will have the Presidency of the European Council, whereas after that Greece will hold the Presidency, and if the Summit were to be held during the Greek Presidency Mr. Papandreou as well as Mr. Thorn would have to be invited.

So far as I know President Reagan has not announced a nomination of a Personal Representative to succeed Bob Hormats, but my information is that it is expected to be Mr. Wallace, an Assistant Under Secretary of State in the State Department. He will be new to economic summitry and indeed (I believe) to government. As President Reagan is the host, his Personal Representative will chair the Personal Representatives and have to lead their activities. My information is that Wallace is likely to be not very good at it. If the Foreign Secretary thinks that it would be useful to suggest to Mr. Shultz that I might go across and see Mr. Wallace, or invite Mr. Wallace to come here, to discuss the preparations for the 1983 Summit before the next meeting of Personal Representatives (not fixed, but probably in late November or early December), I should of course be entirely happy for him to do so.

I am sending copies of this letter to Ken Couzens and to John Coles.

*Yours ever*

*Robert Armstrong*

ROBERT ARMSTRONG



FILE

RM

10 DOWNING STREET

*From the Private Secretary*

SIR ROBERT ARMSTRONG  
CABINET OFFICE

C

ECONOMIC SUMMIT

I promised on Friday night to let you know early this morning whether the Prime Minister could manage the new dates which your American colleague has suggested to you.

I have now confirmed that the Womens Conference on 21 May is immovable. But the Prime Minister could agree to attend a summit from 22 - 24 May.

A. J. JONES

18 October, 1982



10 DOWNING STREET

Carline

Economic Summit

to the Women's Conference on 21 May, 1983  
movable?

Could the P. R. be in California  
from 20 to 22 May?

Or 22 to 24 May?      ok. ✓

(I need to tell Sir R. Armstrong  
early on Monday).

A. J. C.  $\frac{15}{10}$



Prime Minute (2)

A-7C-7<sup>30.</sup>

Ref. A09605

MR COLES

WOL 1/2

h-c-

Economic Summits

Since I sent you a minute last night I have learned that the dates proposed by President Reagan in general would be likely to be very inconvenient for the President of the French Republic, and very inconvenient also for the Japanese Prime Minister.

2. The Japanese Prime Minister is away in China, and has asked President Reagan to postpone an announcement of the date of the next Summit. The White House very reluctantly agreed to postpone the announcement until Sunday 24 October.

3. It appears that the Prime Ministers of Canada and Italy have accepted President Reagan's invitation.

RIA

ROBERT ARMSTRONG

30 September 1982

ms

Ref: A09615



CONFIDENTIAL

Prime Minister

Content for this revised draft  
to be sent to President Reagan  
on the hot line?

MR. COLES

Yes ms

A.J.C. 20/9

Economic Summit

You will have seen New York telegrams nos. 1500 and 1501 reporting the Foreign and Commonwealth Secretary's views (in case you have not, I attach copies). We had a word about this after Cabinet.

2. The only other development to report is that the Japanese Ambassador called on me this afternoon. He confirmed that the dates proposed by President Reagan would be difficult for his Prime Minister and that Mr. Suzuki remained attached to Mrs. Thatcher's suggestion that the dates of the meeting should be brought forward. I indicated the lines on which I thought the Prime Minister would be replying to President Reagan.

3. I attach a revised draft message for the Prime Minister to send to President Reagan. I think that she should say that 10th to 12th June would be difficult for her, though there is no need for her to give any reason. I have incorporated the Foreign and Commonwealth Secretary's suggestion as paragraph 3 of the revised draft; and have then suggested that the Prime Minister should revert to the idea that the best way to carry this forward would be a meeting of Personal Representatives. The Japanese Personal Representative is in any case due to be in Europe in the second week of October.

4. You told me that the Prime Minister would prefer not to copy her message to her other colleagues at the Summit. I think that it would be as well that our posts in the countries concerned should be briefed both about the invitation and about the nature of our reply, with instructions to them to give orally to Personal Representatives in their capitals the line we were taking.

If the Prime Minister is content with this, no doubt you will arrange accordingly with the Foreign and Commonwealth Office.

P.N.  
Content?  
AR 20/9

REA

Robert Armstrong

30th September 1982

CONFIDENTIAL



S E D I P

SECRET

BURNING BUSH

DESKBY 300800Z

FM UKMIS NEW YORK 300550Z SEP 82

TO IMMEDIATE F C O

TELEGRAM NUMBER 1500 OF 29 SEPTEMBER 1982

FOLLOWING PERSONAL FOR PUS FROM PRIVATE SECRETARY

YOUR TELNOS 799 AND 800: ECONOMIC SUMMIT

1. WE POSTPONED REPLY TO YOUR TELEGRAM UNDER REFERENCE IN CASE THE SUBJECT AROSE AT THE QUADRIPARTITE DINNER. AS YOU WILL SEE FROM THE SUMMARY IN MIFT, THIS PROVED TO BE A SENSIBLE PRECAUTION. THE SECRETARY OF STATE FEELS THAT IN THE LIGHT OF THIS EVENING'S DISCUSSION IT WOULD BE BETTER FOR THE PRIME MINISTER TO SEND A RATHER SHORTER MESSAGE TO REAGAN, WITHOUT MENTIONING HER PERSONAL DIFFICULTY OVER THE JUNE DATES. HE RECOGNISES THAT THE MATTER IS A DELICATE ONE AND ASSUMES THAT YOU WILL WISH TO DISCUSS IT WITH SIR R ARMSTRONG. SUBJECT TO THAT, MR PYM WOULD SUGGEST A MESSAGE ON THE FOLLOWING LINES:

2. BEGINS.

AS GEORGE SHULTZ WILL HAVE TOLD YOU, THE SUBJECT OF THE NEXT ECONOMIC SUMMIT CAME UP WHEN HE AND FRANCIS PYM MET OVER DINNER IN NEW YORK ON 29 SEPTEMBER WITH THEIR FRENCH AND GERMAN COLLEAGUES. I UNDERSTAND THERE WAS SOME SUPPORT FOR THE VIEW THAT, GIVEN THE WORLD ECONOMIC AND FINANCIAL SITUATION, WE MIGHT USEFULLY CONSIDER THE POSSIBILITY OF MEETING SOMEWHAT EARLIER - PERHAPS IN FEBRUARY 1983. I PERSONALLY WOULD SEE ADVANTAGE IN OUR DOING SO. I AM SURE THAT WE COULD HANDLE BY SENSIBLE BRIEFING ANY TENDENCY OF THE MEDIA TO BLOW THIS UP AS A CRISIS MEETING AND TO RAISE EXPECTATIONS ACCORDINGLY. BUT IT WOULD BE MUCH MORE DIFFICULT FOR US TO DO SO IF WE HAD ALREADY ANNOUNCED A DATE IN JUNE. IF YOU COULD AVOID ANNOUNCING A DATE FOR A WEEK OR SO, SO THAT THE POSSIBLE ADVANTAGES OF AN EARLIER MEETING COULD BE CONSIDERED, THIS WOULD BE VERY HELPFUL. ENDS.

THOMSON

LIMITED  
 HD/ PLANNING STAFF  
 HD/ ERD  
 PS  
 PS/ PUS  
 HR EVANS  
 HR THOMAS

COPIES TO:-

SIR R ARMSTRONG  
 CABINET OFFICE

DE DIP  
SECRET  
BURNING BUSH  
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FM UKMIS NEW YORK 300552Z SEP 82  
TO IMMEDIATE F C O  
TELEGRAM NUMBER 1501 OF 29 SEPTEMBER 1982

FOLLOWING PERSONAL FOR PUS FROM PRIVATE SECRETARY

MIPT: ECONOMIC SUMMITS

1. SHULTZ RAISED THE QUESTION OF THE ANNUAL ECONOMIC SUMMITS AS THE FIRST SUBJECT FOR DISCUSSION AT THE QUADRIpartite DINNER AND ASKED HOW BEST TO MAKE USE OF THEM. CHEYSSON REPLIED THAT THE SUMMITS SHOULD IDEALLY TAKE PLACE IN RESPONSE TO A PARTICULAR NEED RATHER THAN AS A MATTER OF ROUTINE. WE SHOULD COME CLOSER TO THE ORIGINAL CONCEPTION OF A MEETING OF THE SEVEN PRINCIPALS TO EXCHANGE VIEWS ON IMPORTANT TOPICAL SUBJECTS. THE AIM SHOULD BE TO INDICATE DIRECTIONS FOR ACTION RATHER THAN TO TAKE DECISIONS. THE PREPARATIONS SHOULD DEPEND ON THE PARTICULAR ISSUES TO BE DISCUSSED, BUT NO MORE THAN A FEW DAYS BEFORE THE MEETING SHOULD BE NECESSARY AND THERE WOULD BE NO WIDE-RANGING DECLARATION: A BRIEF COMMON STATEMENT ON THE MAIN ISSUE OR ISSUES, TO BE PREPARED DURING THE MEETING, SHOULD BE ENOUGH. THE NUMBER OF PARTICIPANTS SHOULD BE KEPT TO A MINIMUM AND THE PRESS KEPT AS FAR AWAY AS POSSIBLE.

2. MR PYM EXPRESSED SOME SYMPATHY WITH CHEYSSON'S POINTS AND WENT ON TO ASK WHETHER THOUGHT MIGHT NOT BE GIVEN TO HAVING THE NEXT SUMMIT RATHER EARLIER THAN PROPOSED. WE WERE ALL FACED WITH SERIOUS ECONOMIC DIFFICULTIES AND PUBLIC OPINION WOULD LIKE TO SEE GOVERNMENTS DOING WHAT THEY COULD TO TACKLE THEM. GIVEN OUR RESPONSIBILITIES, IT MIGHT SEEM INSENSITIVE TO ANNOUNCE NOW THAT THE NEXT ECONOMIC SUMMIT WOULD NOT TAKE PLACE UNTIL JUNE 1983. IT SEEMED PSYCHOLOGICALLY WRONG TO STICK TO THE ROUTINE IN THE LIGHT OF THE SITUATION WE FACED.

3. SHULTZ ACKNOWLEDGED THE IMPORTANCE OF WHAT HE DESCRIBED AS THE CURRENT ECONOMIC MALAISE, AND ADDED THAT IT TENDED TO SPILL OVER INTO INTERNATIONAL POLITICAL MATTERS. HE SAW SOME ATTRACTION IN THE IDEA OF THE SUMMITS MEETING IN RESPONSE TO NEED, BUT EMPHASISED ALSO THAT IT WAS RIGHT THAT THE LEADERS OF THE MAJOR WESTERN COUNTRIES SHOULD MEET FROM TIME TO TIME EVEN IF THERE WAS NO PARTICULARLY URGENT PROBLEM TO DISCUSS: IT WOULD SEEM ODD IF THEY DID NOT MEET FAIRLY REGULARLY. HE HAD NO DIFFICULTY WITH THE IDEA THAT THE SUMMITS SHOULD INDICATE DIRECTIONS RATHER THAN TAKE DECISION, AND THAT THE ISSUES SHOULD BE CAREFULLY SELECTED WITH

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DISCUSSION BY HEADS OF STATE/GOVERNMENT IN MIND. HE THOUGHT THAT THE STATEMENTS IN FAVOUR OF THE OPEN TRADING SYSTEM WHICH HAD FEATURED IN PREVIOUS SUMMIT COMMUNIQUE HAD DONE SOME GOOD.

4. MR PYM THEN SUGGESTED THAT IT WOULD BE HELPFUL IF THE ANNOUNCEMENT OF THE DATE FOR THE NEXT SUMMIT COULD BE HELD OVER FROM 1 OCTOBER UNTIL THERE HAD BEEN TIME TO CONSIDER THE ARGUMENTS FOR AN EARLIER MEETING. THE GERMANS (REPRESENTED BY VON STADEN) READILY AGREED, AS THEY THOUGHT THAT THE ANNOUNCEMENT OF A DATE PRECISELY AT THE TIME OF THE CHANGE OF GOVERNMENT IN BONN WOULD BE EMBARRASSING. CHEYSSON ALSO AGREED, AFTER FLIRTING FOR A WHILE WITH THE IDEA THAT TO ANNOUNCE A JUNE DATE AND THEN CHANGE IT TO FEBRUARY WOULD CONTRIBUTE A USEFUL SENSE OF DRAME. (MR PYM ACCEPTED THAT THIS WOULD BE DRAMATIC, BUT QUESTIONED VERY STRONGLY WHETHER IT WOULD BE USEFUL). IT BECAME INCREASINGLY CLEAR THAT SHULTZ WAS EMBARRASSED BY THE SUGGESTION OF POSTPONING THE ANNOUNCEMENT OF DATES, WHICH HE SEEMED TO THINK HAD BEEN AGREED UPON AFTER CONSULTATION WITH THE OTHER PARTICIPANTS. HE FINALLY EXPLAINED THAT BOOKINGS HAD BEEN MADE AT WILLIAMSBURG, AND THAT A CHANGE WOULD GIVE RISE TO PRESS SPECULATION ABOUT CANCELLATION DUE TO DISAGREEMENTS BETWEEN THE UNITED STATES AND THE EUROPEANS. WE AND THE FRENCH AND GERMANS MADE IT CLEAR THAT WE WERE NOT TALKING OF CANCELLATION, BUT MERELY OF POSTPONING THE ANNOUNCEMENT OF THE DATE OF A MEETING WHICH WOULD CERTAINLY TAKE PLACE AT WHATEVER TIME WAS AGREED. WE HOPED THAT THE AMERICANS COULD AGREE TO DELAY THE ANNOUNCEMENT, BUT WE WOULD NOT PRESS THE POINT IF SHULTZ WAS CONVINCED THAT POLITICALLY DAMAGING STORIES COULD NOT BE AVOIDED. SHULTZ TOOK NOTE, AND ENDED BY SAYING THAT HE WOULD TRY TO POSTPONE THE ANNOUNCEMENT BUT DID NOT KNOW WHETHER HE WOULD SUCCEED.

THOMSON

LIMITED

HD/PLANNING STAFF

HD/ERD

PS

PS/PUS

MR EVANS

MR THOMAS

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