

SUBJECT

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PS TO PM. NO. 10 DOWNING STREET.

PRIME MINISTER'S
PERSONAL MESSAGE

SERIAL No. T 230⁹/82

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TO IMMEDIATE WASHINGTON
TELEGRAM NUMBER 2114 OF 3 DECEMBER
ECONOMIC SUMMITS

1. GRATEFUL IF YOU WOULD PASS THE FOLLOWING MESSAGE FROM THE
PRIME MINISTER TO PRESIDENT REAGAN AS SOON AS POSSIBLE.
BEGINS

THANK YOU VERY MUCH FOR YOUR LETTER OF 17 OCTOBER, WITH
YOUR PRELIMINARY THOUGHTS ABOUT ECONOMIC SUMMITS. SINCE
YOU WROTE, ALLEN WALLIS HAS BEEN IN LONDON, AND HAS TALKED
WITH MY PERSONAL REPRESENTATIVE, ROBERT ARMSTRONG, ABOUT
THESE MATTERS. YOU WILL THEREFORE KNOW THE GENERAL DRIFT
OF MY OWN THOUGHTS: BUT I WANT NONETHELESS TO RESPOND TO
YOUR LETTER.

MY THOUGHTS ARE VERY MUCH IN LINE WITH YOUR OWN. THE
GREAT VALUE OF OUR ECONOMIC SUMMIT MEETINGS IS AS AN
OPPORTUNITY FOR CANDID TALKS AMONG THE EIGHT OF US ABOUT
THE GENERAL WORLD ECONOMIC SITUATION. WE CAN DISCUSS HOW
WE CAN HELR EACH OTHER TO OVERCOME THE PROBLEMS WE FACE IN
OUR OWN COUNTRIES: AND WE CAN WORK TOGETHER TO CREATE A
CLIMATE WHICH WILL HELP TO BRING ABOUT IMPROVEMENTS IN
THE WORLD ECONOMY.

OUR PEOPLE WILL EXPECT FROM OUR MEETINGS AN OUTCOME WHICH
OFFERS HOPE THAT WE SHALL COME OUT OF THE WORLD ECONOMIC
SITUATION WHICH WE ARE NOW EXPERIENCING. BUT ECONOMIC
SUMMITS ARE NOT IN MY VIEW OCCASIONS FOR NEGOTIATING
DETAILED AGREEMENTS ON SPECIFIC SUBJECTS: RATHER THEY ARE,
AS YOU SUGGEST, TO DISCUSS OUR GENERAL APPROACH AT THE
HIGHEST POLITICAL LEVEL. ANY DECLARATIONS WE MAKE SHOULD

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EMPHASISE FAVOURABLE DEVELOPMENTS AND TRY TO CHECK UNFAVOURABLE ONES. THEY WOULD THUS GUIDE AND INFORM THE SPECIFIC WORK OF MINISTERS RESPONSIBLE FOR ECONOMIC POLICY AND FOREIGN AFFAIRS.

TO THE EXTENT THAT POLITICAL AS WELL AS ECONOMIC ISSUES FIGURE ON OUR AGENDA, THE SAME CONSIDERATIONS APPLY.

LIKE YOU, I SHOULD LIKE TO MAKE OUR MEETINGS AS INFORMAL AND AS LITTLE STRUCTURED AS POSSIBLE, SO THAT WE CAN CONCENTRATE ON DISCUSSING THE REAL ISSUES RATHER THAN NEGOTIATING IN DETAIL OR ARGUING ABOUT WORDS IN A COMMUNIQUE. IF WE ARE TO ACHIEVE THAT, WE NEED TO BE ABLE TO GET AWAY FROM THE PRESSURES OF THE MEDIA. SOME PREVIOUS ECONOMIC SUMMITS HAVE TENDED TO BECOME SPECTACULAR EVENTS, WHICH HAVE ATTRACTED A LOT OF PRESS AND PUBLIC ATTENTION AND HAVE GIVEN RISE TO EXPECTATIONS WHICH THE MEETINGS THEMSELVES HAVE NOT ALWAYS BEEN ABLE TO FULFIL. ANYTHING YOU CAN DO TO REDUCE THE NUMBER OF MEDIA REPRESENTATIVES AT WILLIAMSBURG AND THE DEMANDS WHICH THEIR PRESENCE MAKES UPON US WILL BE APPRECIATED.

AS TO PRELIMINARIES, PAST EXPERIENCE SHOWS THE DANGERS OF OVER-METICULOUS PREPARATION. OUR OWN DISCUSSIONS MUST NOT BE FETTERED OR VIRTUALLY DECIDED BY WHAT HAS BEEN DONE IN ADVANCE. I THINK THAT WE CAN BEST ACHIEVE THIS IF THE PREPARATIONS ON THE ECONOMIC SIDE ARE PUT CLEARLY IN THE HANDS OF OUR PERSONAL REPRESENTATIVES.

IT SEEMS TO ME THAT THERE ARE THREE THINGS WHICH THE PREPARATORY PROCESS BY OUR PERSONAL REPRESENTATIVES NEEDS TO DO FOR US:

(1) IT SHOULD BE ABLE TO IDENTIFY THE MAIN ISSUES WHICH WE ARE LIKELY TO WANT TO COVER DURING THE COURSE OF OUR DISCUSSIONS, SO THAT WE CAN OURSELVES THINK ABOUT THEM BEFORE WE COME. THIS SHOULD NOT TAKE LONG.

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(II) IT SHOULD BE ABLE TO ESTABLISH POINTS ON WHICH THERE IS LIKELY TO BE GENERAL AGREEMENT AMONG US, AND WHICH WE DO NOT THEREFORE NEED TO DISCUSS IN DETAIL WHEN WE MEET, AND TO PINPOINT ISSUES ON WHICH THERE MAY BE DIFFERENCES OF VIEW WHICH DISCUSSION AT THE SUMMIT MAY HELP TO RECONCILE: THAT SHOULD HELP TO ENSURE THAT WE MAKE THE BEST USE OF THE LIMITED AMOUNT OF TIME WE HAVE TOGETHER AT THE SUMMIT MEETING ITSELF.

(III) WE CAN HARDLY MEET WITHOUT ISSUING SOME DECLARATION OR COMMUNIQUE THAT TELLS THE WORLD OF THE SUBJECTS WE HAVE DISCUSSED AND, AT LEAST IN GENERAL TERMS, WHAT CONCLUSIONS WE HAVE REACHED. I BELIEVE IT SHOULD BE SOON. PREPARATION SHOULD INCLUDE A FRAMEWORK FOR THE FINAL DECLARATION SO THAT THE ACTUAL DRAFTING OF OUR CONCLUSIONS CAN BE DONE QUICKLY. I DO NOT BELIEVE WE SHOULD GO INTO TOO MUCH DETAIL. IF WE CAN ALL AGREE ON THESE POINTS, AND IF OUR PERSONAL REPRESENTATIVES UNDERSTAND OUR MINDS ON THESE MATTERS, THEY OUGHT TO BE ABLE TO COMPLETE THEIR WORK IN A COUPLE OF MEETINGS.

ON THE POLITICAL SIDE OF THE AGENDA, I WAS VERY SATISFIED WITH THE APPROACH ADOPTED BY PRESIDENT MITTERRAND AT VERSAILLES IN JUNE, WHICH IN EFFECT WAS TO HAVE NO PREPARED DRAFTS, BUT TO ARRANGE FOR POLITICAL DIRECTORS TO BE AVAILABLE IN CASE IT WAS DECIDED - AS HAPPENED IN JUNE OVER THE ISRAELI INVASION OF LEBANON - TO ISSUE A STATEMENT OR COMMUNIQUE ON ONE OR MORE PARTICULAR POINTS.

THE WORLD RECESSION IS LONGER AND DEEPER THAN WE EXPECTED, AND THE WORRIES ARE CORRESPONDINGLY GREATER. I AM SURE THAT UNDER YOUR CHAIRMANSHIP WE SHALL SHOW THAT WE UNDERSTAND THE DANGERS AND FEARS AND THAT THE COUNTRIES WE LEAD HAVE THE CAPACITY AND THE DETERMINATION TO MEET THE CHALLENGE.

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SIR J BULLARD
MR EVANS
MR THOMAS

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ECONOMIC SUMMIT

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10 DOWNING STREET

THE PRIME MINISTER

Thank you very much for your letter of 17 October, with your preliminary thoughts about Economic Summits. Since you wrote, Allen Wallis has been in London, and has talked with my Personal Representative, Robert Armstrong, about these matters. You will therefore know the general drift of my own thoughts; but I want nonetheless to respond to your letter.

My thoughts are very much in line with your own. The great value of our Economic Summit meetings is as an opportunity for candid talks among the eight of us about the general world economic situation. We can discuss how we can help each other to overcome the problems we face in our own countries; and we can work together to create a climate which will help to bring about improvements in the world economy.

Our people will expect from our meetings an outcome which offers hope that we shall come out of the world economic situation which we are now experiencing. But Economic Summits are not in my view occasions for negotiating detailed agreements on specific subjects; rather they are, as you suggest, to discuss our general approach at the highest political level. Any declarations we make should emphasise favourable developments and try to check unfavourable ones. They would thus guide and inform the specific work of Ministers responsible for economic policy and foreign affairs.

/ To

To the extent that political as well as economic issues figure on our agenda, the same considerations apply.

Like you, I should like to make our meetings as informal and as little structured as possible, so that we can concentrate on discussing the real issues rather than negotiating in detail or arguing about words in a communique. If we are to achieve that, we need to be able to get away from the pressures of the media. Some previous Economic Summits have tended to become spectacular events, which have attracted a lot of Press and public attention and have given rise to expectations which the meetings themselves have not always been able to fulfil. Anything you can do to reduce the number of media representatives at Williamsburg and the demands which their presence makes upon us will be appreciated.

As to preliminaries, past experience shows the dangers of over-meticulous preparation. Our own discussions must not be fettered or virtually decided by what has been done in advance. I think that we can best achieve this if the preparations on the economic side are put clearly in the hands of our Personal Representatives.

It seems to me that there are three things which the preparatory process by our Personal Representatives needs to do for us:

- (i) It should be able to identify the main issues which we are likely to want to cover during the course of our discussions, so that we can ourselves think about them before we come. This should not take long.
- (ii) It should be able to establish points on which there is likely to be general agreement among us, and which we do not therefore need to discuss in detail when we meet, and to pinpoint issues on which there may be

/ differences

differences of view which discussion at the Summit may help to reconcile; that should help to ensure that we make the best use of the limited amount of time we have together at the Summit meeting itself.

- (iii) We can hardly meet without issuing some declaration or communique that tells the world of the subjects we have discussed and, at least in general terms, what conclusions we have reached. I believe it should be short. Preparation should include a framework for the final declaration so that the actual drafting of our conclusions can be done quickly. I do not believe we should go into too much detail.

If we can all agree on these points, and if our Personal Representatives understand our minds on these matters, they ought to be able to complete their work in a couple of meetings.

On the political side of the agenda, I was very satisfied with the approach adopted by President Mitterrand at Versailles in June, which in effect was to have no prepared drafts, but to arrange for Political Directors to be available in case it was decided - as happened in June over the Israeli invasion of Lebanon - to issue a statement or communique on one or more particular points.

The world recession is longer and deeper than we expected, and the worries are correspondingly greater. I am sure that under your chairmanship we shall show that we understand the dangers and fears and that the countries we lead have the capacity and the determination to meet the challenge.

The President of the United States of America

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10 DOWNING STREET

From the Private Secretary

Sir Robert Armstrong

Economic Summits

Thank you for your minute of 26 November proposing a reply by the Prime Minister to the message of 18 October from the President of the United States.

The Prime Minister has approved the amended text annexed to this minute. I should be grateful if you could arrange for its despatch.

Mrs. Thatcher agrees that you may give copies of this message to your fellow Personal Representatives at your next meeting on 11/12 December.

I am copying this minute to Mr. Fall and Mr. Kerr.

A. J. COLES

2 December, 1982.

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As amended

Prime Minister

Agree to send this message to President Reagan?

Agree that Robert Armstrong may give copies to his fellow personal representatives on 11/12 December?

A.F.C. 29/11

Ref. A082/0311

MR COLES

The President of the United States sent the Prime Minister a message on 18 October, outlining his own thoughts about Economic Summits and inviting her reactions to those preliminary thoughts.

2. I attach a draft of a message for the Prime Minister to send to the President. I hope that the message is self-explanatory. It has been agreed with the Treasury and the Foreign and Commonwealth Office.

3. I wondered whether to suggest that the Prime Minister's message should be copied to other Heads of State or Government of Summit countries. On the whole I think not; they do not seem to have copied their replies to her. But I should like to be able to make copies of her reply available to my fellow Personal Representatives at our next meeting on 11 and 12 December.

REA

ROBERT ARMSTRONG

26 November 1982

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DRAFT LETTER FROM THE PRIME MINISTER TO
PRESIDENT REAGAN

Thank you very much for your letter of 17 October, with your preliminary thoughts about Economic Summits. Since you wrote, Allen Wallis has been in London, and has talked with my Personal Representative, Robert Armstrong, about these matters. You will therefore know the general drift of my own thoughts; but I want nonetheless to respond to your letter.

My thoughts are very much in line with your own. The great value of our Economic Summit meetings is as an opportunity for ~~frank and direct conversation~~ ^{cardinal talks} among the eight of us about the general world economic situation. ~~[We can share with each other the problems we face in our own countries against the background of the world situation, and we can exchange ideas about how we may be able to help each other to overcome those problems, and how we can work together]~~ ^{to} create a climate which will help to bring about improvements in the world economy, which will ~~benefit~~ ^{benefit} not only the industrialised countries but also the rest of the free world.

Our people will expect from our meetings ^{which offers hope that we shall come} an outcome ~~that has point~~ ^{are now experiencing} in the world

^{Out of the world} economic situation which we ~~all~~ face. But

We can discuss how we can help each other to overcome the problems we face in our own countries; and we can work together



Economic Summits are not in my view occasions for negotiating detailed agreements on specific subjects; rather they are, as you suggest, ^{to discuss our general approach} ~~for wide-ranging discussions~~ at the highest political level. ~~I believe they ought to be occasions when the heads of the seven principal industrial countries show their joint concern for the well-being of the economic system of the free world, and~~ ~~The outcome we should aim to achieve, and encourage the world to accept, should be broad direction-setting political declarations.~~ ^{Any declaration we make emphasize} ~~These declarations~~ should give ~~impetus to~~ favourable developments and try to check unfavourable ones. They would thus guide and inform the specific work of Ministers responsible for economic policy and foreign affairs.

To the extent that political as well as economic issues figure on our agenda, ~~I would say that the same considerations apply: the themes should be those that our publics are concerned about, the discussion should be frank, and the outcome should take the form of broad understandings to be followed up by our Foreign Ministers.~~ ^{people}

Like you, I should like to make our meetings as informal and as little structured as possible, so that we can concentrate on



discussing the real issues rather than negotiating in detail or arguing about words in a communiqué. If we are to achieve that, we need to be able to get away from the pressures of ~~the representatives of~~ the media. Some previous Economic Summits have tended to become spectacular events, which have attracted a lot of Press and public attention and have given rise to expectations which the meetings themselves have not always been able to fulfil. ~~We have, as you say, to try to discourage the media from generating excessive expectations about the outcome of our meetings.~~ Anything you can do to reduce the number of media representatives at Williamsburg and the ^{demands} pressures which their presence ^{rests upon} ~~can thrust upon~~ us ^{of me without} all will be ~~useful~~ in this regard.

As to preliminaries, past experience shows the dangers of over-meticulous ~~bureaucratic~~ preparation. ~~We must insist on as little preparation as is practical so that our own discussions are as little~~ ^{Our own discussions must not be} ~~fettered as possible by what is done in advance.~~ ^{wholly decided by what has been} I think that we can best achieve this if the preparations on the economic side are put clearly in the hands of our Personal Representatives ~~and not farmed out too widely in the bureaucracies.~~



It seems to me that there are three things which the preparatory process by our Personal Representatives needs to do for us:

- (i) It should be able to identify the main issues which we are likely to want to cover during the course of our discussions, so that we can ourselves think about them before we come. *This should not be late by - is late*
- (ii) It should be able to establish points on which there is likely to be general agreement among us, and which we do not therefore need to discuss in detail when we meet, and to pinpoint issues on which there may be differences of view which discussion at the Summit may help to reconcile; that should help to ensure that we make the best use of the limited amount of time we have together at the Summit meeting itself.
- (iii) We can hardly meet without issuing some declaration or communiqué that tells the world of the subjects we have discussed and, at least in general terms, what conclusions we have reached. *I believe it should be short.*



~~within the confines of a two-day Summit to produce such a document~~


~~from scratch. The preparatory process should therefore construct a framework for the final declaration or communiqué, to serve as a basis for final drafting in the light of discussion at the Summit~~

~~meeting itself, without taking the preparation to the point where the words and the thoughts are set in~~

Preparatory work should include
So that the actual drafting
which follows for an
own conclusion can be done
concrete and in effect dominate
Charity I do not believe in
and limit our own discussions.
Should go into much detail.

If we can all agree on these points, and if our Personal Representatives understand our minds on these matters, they ought to be able to ~~limit~~ *control* their preparatory work ~~accordingly~~ *in a* ~~to what will contribute to the effectiveness~~ *couple of meetings* of our own proceedings at the Summit without ~~limiting our freedom of discussion.~~

On the political side of the agenda, I was very satisfied with the approach adopted by President Mitterrand at Versailles in June, which in effect was to have no prepared drafts, but to arrange for Political Directors to be available in case it was decided - as happened in June over the Israeli invasion of Lebanon - to issue a statement or communiqué on one or more particular points.

 The world recession is
larger & deeper than we expected -
the worries are correspondingly greater

~~I know you share my concern about the
dangers that confront us all. Those dangers,
and the challenges which we shall face at
Williamsburg, are as great as (if not
greater than) at any of the previous Summits
I have attended. I am sure that under your
chairmanship we shall show that we under-
stand the dangers ^{and} that the countries we
lead have the capacity and the determination
to ^{meet} ~~rise to~~ the challenges.~~

Econ Pol.

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