



10 DOWNING STREET

From the Private Secretary

MR HATFIELD
CABINET OFFICE

ECONOMIC SUMMIT

The Prime Minister would like briefing to be provided on a number of points which she intends to raise at the Bonn Economic Summit. They are:

- (i) President Mitterrand has said that he wants to re-orient the international monetary system away from the dollar and towards a tripod of currencies (see interview on page 2 of the Wall Street Journal for Monday, 29 April). He appears to envisage fixed relationships between them. The Prime Minister would be grateful for comments on this idea. She assumes that it would be intended to maintain a relationship between the EMS, the dollar and the yen.
- (ii) the Prime Minister is perturbed to learn that the Japanese have obtained the contract for the second Bosphorus bridge by pledging \$205 million over twenty five years at 5 per cent. Likewise the Italians appear to have offered generous credits. She is considering raising the whole question of subsidised credits at or in the margins of the Economic Summit. She would be grateful for full details of the Japanese and Italian offers, which she would propose to use as ammunition.
- (iii) the Prime Minister has also noted that BP North America Limited has recently had to accept a settlement of a dispute over the trans-Alaska pipeline which involves it paying rebates to shippers. The Prime Minister would be grateful for details of this case which she suspects may be further evidence of restrictive practices operating in the United States.

The Prime Minister is not satisfied with the speaking note provided for her use on economic issues at the Summit. I will try to let you have more detailed comments later today.

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I am sending a copy of this minute to Mr Moqq
(Department of Trade and Industry), Mrs Lomax (HM Treasury)
and to Mr Appleyard (Foreign and Commonwealth Office).

(C D Powell)

29 April, 1985