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From the Private Secretary

SIR ROBERT ARMSTRONG

VENICE ECONOMIC SUMMIT

The Prime Minister has considered your minute of 27 April about the main issues which will arise at the Venice Economic Summit. She has not, however, had time to read the Italian Presidency's draft of the "Thematic Paper".

The Prime Minister is, I think, generally content with the way presentation of the main economic issues at the Summit is shaping. She believes that the thematic paper should be very firmly worded on the question of Japan's external surplus. But she does not want to revert to the procedure employed at the Bonn Economic Summit of devoting separate sections of the final declaration to the individual economic situation of each of the Summit countries. She thinks this was a bad precedent. She would like you to work for the strongest possible joint text on Japan, even if this means isolating the Japanese in the discussions before the Summit itself.

The Prime Minister agrees with the points in your minute about the handling of the report by Finance Ministers, about the new GATT round, about the treatment of agriculture and the importance of securing endorsement of the Chancellor's initiative on debt. She sees no case for a statement on energy and no need for a general political declaration. She is dubious about a statement on AIDS. She would wish to see the statement on terrorism strengthened and extended to cover more than the civil aviation aspects. She would wish us to oppose very strongly indeed any notion of a statement on South Africa and the establishment of a High Level Summit Group. It would be very much better if the Canadians could be headed off this in advance of the Summit itself. She would like the Foreign Secretary to consider how we can best work with other Summit countries to convince the Canadian Prime Minister that it will be fruitless to pursue this idea in Venice.

The Prime Minister remains strongly opposed to participation in the G7 by the Commission of the European Communities.

I am sending copies of this minute to the Private Secretaries to the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer and the Secretary of State for Trade and Industry.

(C. D. POWELL)
29 April 1987