



PRIME MINISTER

Speaking Note for your Meeting with the Press

This has been an exceptionally busy and rewarding 18 hours at the Venice Economic Summit.

In the course of it we have had a good discussion on the world economic situation. We have reaffirmed our determination to maintain our strategy of non-inflationary growth which in Britain's case is into its 7th successive year and is creating new jobs and steadily reducing unemployment.

*Third world countries*

I have had nearly an hour's discussion with President Reagan on a wide range of issues.

I have also had a private talk with Prime Minister Nakasone, urging him again to open up the Japanese market to British goods and services.

As a result of a dinner last night for Heads of State or Government which went on until after midnight, we have approved three important statements:

- On East-West relations and arms control which reaffirms the continuing importance of nuclear deterrence in preserving peace; all of us look forward to NATO Ministers meeting in Reykjavik on Thursday reviving NATO's position vis-a-vis the Soviet Union with the aim of achieving an arms control agreement.
- The Iran/Iraq war and the Gulf situation where we are looking to the UN to take effective action to bring an end to the Iran/Iraq war. We have strongly reaffirmed the importance of maintaining freedom of navigation in the Gulf.

/- Terrorism



- Terrorism, on which we have toughened up our stance against all terrorists. For the first time as a Summit Seven we have committed ourselves to making no concessions to terrorists - a principle which Britain has of course long observed.

We have also discussed many other topics including:

- South Africa.
- Middle East.
- The need to hold protectionism at bay which is also very important for jobs in Britain.
- And, of course, aid and trade for the developing world.

So it has been a very worthwhile visit. The Foreign Secretary will continue to represent British interests in my absence. The Chancellor of the Exchequer is coming to attend the conference for the rest of today. I feel that we have already in this short time served British interests very well indeed.

9 June 1987

(Bernard Ingham)

See brief 13

## DRAFT STATEMENT FOR VENICE SUMMIT

## IRAN/IRAQ (UK Draft)

The Heads of State and Government discussed the Iran/Iraq conflict in all its aspects. They renewed their profound regret at the continuation and escalation of the conflict and once again deplored the grave human losses and physical damage it has caused as well as the breaches of international humanitarian law that have occurred, including the use of chemical weapons.

They expressed their growing concern about the situation in the Gulf, and, in particular, the increasing threat to freedom of navigation. They strongly reaffirmed the right of free navigation in international waters, which they regard as vital to the course of international relations as a whole. They called on both sides to respect this right and to cease all attacks on shipping to and from littoral states not parties to these hostilities.

They pledged themselves to continue to work to prevent an extension of the conflict and to encourage the stability of the region. They offered their support to the Secretary-General of the United Nations in his efforts to seek a peaceful and honourable settlement. They affirmed their common resolve that attacks on shipping in these vital waters must not be allowed to jeopardise world oil supplies. Those of them that have a naval presence in the area will continue to consult together and to support international freedom of navigation while maintaining their impartiality in the conflict.

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Rev.2 - 16 May, 1987 - 1.30 a.m.

**Draft statement on East-West relations**

(Personal contribution of the Personal Representatives  
in case a decision to issue a text is taken)

3. Within existing alliances each of us is resolved to maintain a strong and credible defence which threatens the security of no-one, and protects freedom, deters aggression and maintains peace. We shall continue to consult closely on all matters affecting our common interest. We will not be separated <sup>from</sup> ~~by~~ the principles that guide us all.
  
4. We are following with close interest recent developments in the internal and external policies of the Soviet Union. It is our hope that they will prove to be of great significance for the improvement of political, economic and security relations between the countries of East and West. At the same time, profound differences persist; each of us must remain vigilantly alert in responding to all aspects of Soviet policy.

5. In this connection we will be paying close attention to Soviet action on issues of common concern to us, and in particular :
- on respect for human rights and genuine democracy, and on freer movement of people and ideas;
  - on early and peaceful resolution of regional conflicts. We look for immediate and total withdrawal of Soviet forces from Afghanistan so that the people of Afghanistan may be free to determine their own future.
6. We reaffirm our commitment to peace and increased security at lower levels of arms. We seek a comprehensive effort to lower tensions and to achieve verifiable arms reductions. We note with satisfaction that dialogue on arms control has intensified and that more favourable prospects have emerged for the reduction of nuclear forces. We appreciate US efforts to negotiate balanced, substantial and verifiable reductions in nuclear weapons. We believe that these goals should be actively pursued and translated into concrete agreements. We urge the Soviet Union to negotiate in a positive and constructive manner. In this context, we emphasize our determination to achieve conventional stability at a lower level of forces and the total elimination of chemical weapons.

An effective resolution of these issues is an essential requirement for real and enduring stability - in our world.

7. While determined to preserve peace and protect our security, we look for closer economic and cultural relations of mutual benefit, and for greater contact and more active interchange of ideas between our people and the people of the Soviet Union and of the countries of Eastern Europe. This will contribute to the greater trust and confidence which are needed as a foundation for a stable and constructive relationship between the countries of East and West.

VENICE ECONOMIC SUMMIT : EAST-WEST RELATIONS :  
ELEMENTS FOR A DRAFT STATEMENT

*British Draft*

1. We, the Heads of State or Government of seven major industrial nations and the representatives of the European Community, have discussed East-West relations and reaffirmed our shared principles and objectives, and our common dedication to preserving and strengthening peace.
2. We recognise with pride that our shared values of freedom, democracy and respect for human rights are the source of the dynamism and prosperity of our societies. We renew our commitment to the search for a freer, more democratic and more humane world.
3. In the conviction that the security of our countries is indivisible, and must be seen in its global context, we shall continue to consult closely on all matters affecting our common interests. Within existing alliances each of us is resolved to maintain a strong and credible defence that can protect freedom and deter aggression while not threatening the security of others.

4. We are following with close interest recent developments in the internal and external policies of the Soviet Union. It is our hope that the policies of greater openness, restructuring and democratisation point the way to the greater trust and confidence needed for progress on arms reductions and the peaceful resolution of problems between East and West.

5. We are convinced of the value of continued high level dialogue between the countries of East and West and are determined to work for a more stable and constructive relationship between them.

6. In this connection we will be paying close attention to Soviet actions on issues of common concern to us, and in particular:

First, in the negotiation of balanced, substantial and verifiable arms control measures. Effective verification is essential. Real progress can only be made if a stable overall balance, taking account of nuclear, chemical and conventional forces, is assured at all times.

Second, in the respect for human rights and the freer movement of people and ideas.

Third, in the early and peaceful resolution of regional conflicts. We look for the immediate and total withdrawal of Soviet forces from Afghanistan and of Vietnamese forces from Cambodia, so that the peoples of Afghanistan and



Cambodia may be free to determine their own future.

7. We firmly believe that positive action by the Soviet Union on these issues will create greater confidence and trust between East and West, and lead to a more peaceful and stable world.