

PRIME MINISTER'S STATEMENT

ON THE

ECONOMIC SUMMIT

IN

PARIS

The Conclusion.

MS

Poland

- Food crisis

Parade

Historical Influences

- Current

Trade with West

Arrangements

Debt

- Commercial debts

Present

- Middle Income Body

Global

- & Arctic changes

Basic Research

Oceans

Large Conversations

- Results

With permission, Mr. Speaker, I shall make a statement on the Economic Summit held in Paris from 14 to 16 July, which I attended with my Rt. Hon. and Learned Friend the Foreign Secretary and my Rt. Hon. Friend the Chancellor of the Exchequer.

The texts of the various Declarations issued at the Summit have been placed in the Library of the House.

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Intolerance

Southern / Capital

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Caust

Agricultural subsidies

Poland & Hungary

Wider

As the main Declaration recalls, the seven-year
round of Summits beginning in 1982 has
been one of the longest periods of
sustained growth since the Second World
War.

These Summits have permitted effective

Drug abuse

Free market

or

Capitalist view

rewards

now abstract

border of time

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Drugs -

and

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consultations and offered the opportunity
to launch initiatives and to strengthen
international cooperation.

This Summit dealt with four main issues:

- economic matters, including Third World
Debt;
- the environment;
- drugs; and

Contributors

Prize of \$100

Celebrities

Prize list

Prize winners

Results

Prize winners

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- international relations.

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Economic Matters, including Debt

The Economic Declaration reaffirms the sound economic policies which have brought greater prosperity to all our countries. It stresses our common commitment to bring down inflation.

~~Public comments~~

~~Advised Alerts~~

Spay

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It underlines the need for further progress in

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reducing external imbalances.

And it emphasises the importance of structural

reforms, that is improving economic

efficiency and getting rid of subsidies

and restrictions.

The Declaration also confirms our determination to fight protectionism in all its forms and to avoid any policies which would undermine the prospects for the successful completion of the Uruguay Round of Multilateral Trade Negotiations by the end of next year.

The Declaration reaffirms the case by case approach to debt problems, and welcomes

the recent decisions taken by the IMF and the World Bank to encourage debt and debt service reduction for middle-income countries.

It notes that the measures agreed at the last Economic Summit to help the poorest countries are being successfully implemented.

It confirms that the most effective way to

deal with the problems of the developing

countries is through the existing

international financial institutions,

rather than by creating new bodies or

structures.

Environment

The Declaration gives particular weight to the

problems of the global environment and
especially the ozone layer and the
greenhouse effect.

These are matters of deep and growing
concern, because of the accumulating
weight of scientific evidence.

The Summit endorsed the United Kingdom's call
for a United Nations framework convention
on global climate change, similar to that

which we already have for the Ozone Layer.

It also underlined the need to make sure that our policies on environmental protection are both scientifically and economically sound.

It points out that clear assessments of the costs, benefits, and resource implications of environmental protection help governments to take the necessary

decisions.

There is no incompatibility between economic growth and environmental protection - indeed the former is essential to create the wealth to finance measures to protect our environment.

The Declaration calls for the strengthening of existing international bodies dealing with

the environment, / particularly the United
Nations Environmental Programme, / rather
than the creation of new ones.

It also gives strong support to the

international effort / to preserve the
world's tropical forests, / while
recognising the sensitivities and the
sovereignty of the developing countries
for whom these forests are an important

natural resource.

Drugs

The Declaration signals the very strong determination of all seven governments to tackle the drugs problem which has reached such devastating proportions, particularly with the growing threat of crack.

We agreed on a number of measures, in

particular:

- first, greater help for efforts to counter illegal production of drugs;

- second, action to reduce demand for drugs, and here I was able to draw attention to the International Conference which Britain will host next year on demand

reduction for drugs and cocaine in particular;

- third, the establishment of a financial action task force from Summit countries and others to investigate, and recommend measures to prevent money laundering;

- and fourth the conclusion of further bilateral agreements for the tracing,

freezing and confiscation of the proceeds
of drug trafficking and crime.

These problems can only be solved by growing
international co-operation.

Political Cooperation

In our discussion of political and regional
issues, and in particular of East/West

relations, we agreed to provide practical support for political and economic reform in Eastern Europe and especially in Poland and Hungary.

We also agreed to help meet Poland's urgent need for food.

For this purpose, we asked the European Commission to coordinate the necessary arrangements.

We issued a strong condemnation of repression
in China.

Our statement also underlined the common
interest of all seven Summit countries
in a stable and prosperous future for Hong
Kong; and confirmed the importance of
support from the international community
to maintain the confidence of Hong Kong's
people, which has been badly shaken by
recent events.

We issued a strong denunciation of terrorism,
referring in particular to the Lockerbie
disaster, and reaffirmed the policy of
making no concessions to terrorists.

We called on those holding hostages to release
them immediately and unconditionally.

Conclusion

Mr. Speaker, this was an exceptionally friendly and worthwhile Summit.

Much credit is due to the skilfull chairmanship of President Mitterrand.

The desire to work together to resolve the problems of the world economy, the environment and drugs was very marked, and

the United Kingdom is making a major and positive contribution to this.

I am sure the results of the Summit will be warmly welcomed in all the Seven Summit countries and more widely.

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Environment



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10 DOWNING STREET
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From the Private Secretary

16 July 1989

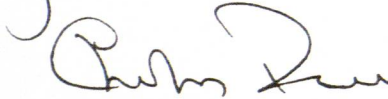
Dear Stephen,

ECONOMIC SUMMIT : STATEMENT

I attach a draft of the Prime Minister's statement for the House on 17 July on the outcome of the Paris Economic Summit. I should be grateful for any comments and suggestions by 1100 on Monday 17 July. The omission of any reference to the Bicentenary of the French Revolution, and to the Prime Minister's bilaterals with other Heads of Government is deliberate.

I should also be grateful for supplementaries.

I am copying this letter and enclosure to Alex Allan (HM Treasury).

Yours sincerely,

(C.D. POWELL) --

J.S. Wall, Esq.,
Foreign and Commonwealth Office.

W.R.
PRIME MINISTER

ECONOMIC SUMMIT: STATEMENT

I attach a draft statement on the Economic Summit in Paris, together with some background papers. I have tried to keep it reasonably brief and factual. I have not mentioned either the bicentenary (to avoid hoots) or the bilaterals (simply to save space).

We have time in the diary to work through it tomorrow morning, when I hope also to have some supplementaries.

C.D.P.

(C.D. POWELL)

14 July 1989

B.P.
PRIME MINISTER

ECONOMIC SUMMIT: STATEMENT TO THE HOUSE NEXT WEEK

Can I just confirm which day next week you would prefer to give the Statement?

You return from Paris in the early hours of Monday morning. The Statement is currently in your diary for Monday afternoon. It is a full day, though Amanda can cut back some of the morning meetings. The Lord President and Chief Whip are both happy for you to do the Statement on Monday in business management terms, though the House may be noisy as the Debate on the Football Bill guillotine would follow immediately afterwards. The Lord President also points out that it would break the precedent you have set that you do Statements on a Tuesday and would make it very difficult to resist demands for a Statement on a Monday in the future.

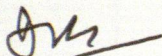
The Tuesday afternoon would be possible though not ideal in business management terms (they want to use the Tuesday as the remaining Opposition Supply Day). More important, from your point of view, you are due to address the Association of Conservative Peers that afternoon. They could be put back to later in the day but Mark has checked with them and there is no alternative date which both you and they could do this side of the Recess (and I assume you do not want to drop your address to the Association this year). So that would mean your having Questions, a Statement and the Address to the Peers which makes for a heavy afternoon.

In the circumstances, content to do the Statement on Monday?

Yes, no

OR

Would you prefer to move it to the Tuesday?



DOMINIC MORRIS

10 July 1989

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