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PRIME MINISTER

LONDON ECONOMIC SUMMIT

There are two policy issues on which I would like your guidance for preparation of the Summit:

- associating the Soviet Union;
- a theme for the Summit.

I am writing to your Private Secretary separately about organisational aspects.

Associating the Soviet Union

2. We have been thinking about the follow-up to the reference in your Aspen speech to taking a first step towards bringing the Soviet Union into closer association with the Economic Summit. Uncertainty about developments in the Soviet Union makes it preferable to delay a final decision on this as long as possible. But I may need to be ready to give some indication of our initial thinking at the first Sherpa meeting in January. Also, as I mention in my letter to your Private Secretary on the Summit programme, we need to have in mind the likely organisational implications. I have discussed this with the Foreign Secretary who has broadly endorsed the following approach.

3. There are two distinct options. The first, less ambitious option would be to invite President Gorbachev to visit the UK some time before or after the Summit for discussions with you which could cover Summit subjects. This would be a distinct advance on what was done in 1989 or 1990. But it would not directly affect arrangements for the Summit itself and could if necessary be arranged at relatively short notice.

4. The second, more ambitious option would be inviting President Gorbachev to a meeting with the Summit Heads, though this would be separate from the Summit itself. Such a meeting could take place either immediately before, or immediately after the Summit. (A meeting during the Summit poses difficulties from both policy and administrative points of view. It would be difficult to draw a clear line between the session with President Gorbachev and the Summit itself, risking setting an unwieldy precedent. It would be extremely complex to organise at short notice since it would necessitate significant reorganisation of the Summit programme.)

5. A session after the Summit would offer most opportunity to combine a session with Summit Heads with a broader programme of meetings in the UK. But it would be difficult to avoid the impression that he was being summoned to be told what the G7 had decided and for this reason this option may not be attractive to Gorbachev himself.

6. A session before the Summit looks the most practicable and would give Gorbachev an opportunity to make a substantive input (although we would need to avoid giving the impression to Gorbachev that he was leaving just as the G7 were getting down to serious business). This might best take the form of a luncheon on the first day, Monday 15 July. A session any earlier than this would probably mean that all Summit Heads would have to arrive on the Sunday. This would add to the overall length of the Summit and be difficult for President Mitterrand, Sunday being 14 July.

7. Thus President Gorbachev's visit might for example involve a programme along the following lines: arrive at the weekend, bilateral talks with him on the Sunday, perhaps at Chequers, continuing for the early part of Monday morning, if so wished, followed by a joint press conference. (It is possible that other Summit leaders such as President Bush might want to use part of the morning for separate bilateral meetings with President Gorbachev.) The bilateral proceedings with Gorbachev would conclude before your formal greeting of Summit participants. The luncheon meeting between the Summit leaders and Gorbachev would

come next and could begin relatively early, say 12.45, so as not to restrict unduly the time available for the first summit session in the afternoon. A key advantage of such an arrangement is that it could be organised at relatively short notice without requiring major changes in the Summit programme or the travel plans of other Summit participants and thus enable us to postpone a decision until much nearer the time, when the situation in the Soviet Union and the position of President Gorbachev should be clearer. Given the uncertainties about developments in the Soviet Union, it would obviously be prudent to keep all options open for as long as possible.

8. I will, of course, seek your guidance before the first Sherpa meeting in January about precisely what I say to my Sherpa colleagues, but it would be helpful to know now whether you agree broadly with the approach suggested above if President Gorbachev is to be associated with the Summit.

Theme for the Summit

9. My minute of 6 August made some preliminary suggestions about possible topics for the London Summit. Since then we have set in train some work in areas where we might seek to launch initiatives, including the idea of a scholarship scheme for the Soviet Union on which I shall send you a minute soon. In many key areas, however, not least the Gulf and the question of possible assistance to the Soviet Union, it is still too early to attempt any predictions of how matters may stand at the time of the Summit.

10. Nevertheless, I believe it would be worthwhile developing a theme for the Summit, as the Americans did with "securing democracy" for Houston. I have discussed this with the Foreign Secretary who agrees that "Strengthening the International Order" would provide a broad theme to cover all the various economic and political subjects we are likely to want discussed, from post-Gulf security structures to the environment. I attach a Foreign Office paper which sets out the case for such a theme more fully. The paper proposes that the idea be launched at the first Sherpa meeting in January and made the skeleton for the Summit's Economic

and Political Declarations. It could also be developed in speeches by yourself, the Foreign Secretary and the Chancellor between now and the London Summit. *Do you agree with this theme?*

11. I am sending copies of this minute to the Foreign and Commonwealth Secretary, to the Chancellor of the Exchequer and to Sir Robin Butler.

N. L. W.

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