

PRIME MINISTER

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BRIEFING MEETING FOR THE TORONTO SUMMIT

The Foreign Secretary, the Chancellor of the Exchequer, Sir John Fretwell (FCO), Sir Geoffrey Littler (HM Treasury) and Sir Rodric Braithwaite (FCO) will be attending your briefing meeting tomorrow at 0945 hours.

I enclose, as background:

FLAG A: Steering brief (in the folder)

Also attached in the plastic folder are timetable and thematic papers.

FLAG B: Notes for your Opening Statement (slightly revised from the version you saw earlier to take account of the Chancellor's comments)

FLAG C: The draft of the Political Declaration

Summit Message

You might first have a word about the overall message which we want to come from the Summit. The challenge here is to dispel the image of "the most boring Summit yet" and to concoct a coherent and interesting message. One possibility is as follows:

following the fundamental shift in economic policies in the Eighties, macro-policy (prudent, fiscal and monetary policies, etc) and micro-policy (open markets, deregulation, competition, privatisation, etc.) are now settled. The task now is to sustain the momentum of implementation and, just as important, to extend the policies into new areas. Obvious areas are:

- agriculture;
- trade;

- encouraging the non-G7 countries, especially in the developing world, to implement policies which have served G7 so well.

These three economic issues - agriculture, trade and debt - are at the centre of the Summit's agenda.

Rather than go through the Steering Brief in detail, I suggest that you concentrate the meeting on the three main economic subjects and on the Political Declaration.

Economic

The three main economic issues which will arise at the Summit are: trade, agriculture and debt.

1. Trade

You may want to ask the Foreign Secretary to outline what they see as our main objectives here. Briefly, they cover:

using the Summit to give impetus to the preparations to December's mid-term meeting in Montreal, with particular reference to the subjects in which we are interested, such as services, intellectual property rights and foreign direct investment; and strengthening GATT itself, through increasing the effectiveness of dispute settlement procedures, intensifying the surveillance of trade policies, etc.

This is an complex area so it might be worthwhile for the meeting to spend most time on this aspect.

2. Agriculture

The tactic here is similar to that for trade:

agreement to make concrete progress towards agreement at December's MTM.

The Foreign Secretary, and Chancellor to speak.

3. Debt

You might ask the Chancellor of the Exchequer to explain how the Summit can bring coherence to the various debt proposals which his initiative has spawned.

Political

Our objective in the political declaration is straightforward: secure an agreed analysis and stance on East/West and the Middle East and get agreement to some robust language on terrorism, together with support for a programme of action in ICAO. The draft Political Declaration at Flag C provides language, with some reserves, endorsed by Sherpas. There should be no difficulty on the East/West item, but some countries are resisting including in the Political Declaration passages on the Middle East and terrorism. I expect that there would be agreement, without much difficulty, to include the Middle East material, but the French may prove sticky on terrorism for theological reasons (not institutionalising the Summit).

You might conclude the discussion by asking the Foreign Secretary and the Chancellor whether there are any other particular points which they want to raise now.

N.L.W.,

N. L. Wicks

14 June 1988