



Foreign and Commonwealth Office

London SW1A 2AH

15 September 1988

N L Wicks Esq CBE  
10 Downing Street  
London SW1

Dear Nigel,

1989 SUMMIT

1. Many thanks for your letters of 5 and 7 September, which I found on my return from leave. I have also seen your note of 13 September covering Allen Wallis' comments. Geoffrey Littler copied his reactions to me and I agree with what he says. Here are some further points.

Dates for Sherpa Meetings

2. I agree that three Sherpa meetings in 1989 would be enough. A January meeting would be pointless - as Wallis indicates - as the new US Administration takes office on 20 January. This argues for the first 1989 meeting no sooner than late February or early March.

3. No problems with 20/21 May or 1/2 July, if these dates are retained. But the OECD Ministerial is expected to be on 31 May/1 June and it is often useful to hold a Sherpa meeting back-to-back with the OECD gathering. If so, that would be, I imagine, the penultimate Sherpa meeting. The last meeting is associated with a gathering of "Political Directors" to look at foreign policy issues for the Summit. That group would have difficulty with meetings on 8-9 June (NATO Council) and 26-27 June (European Council).

Arrangements for the Summit and links with the Bicentenary

4. The French clearly intend the Summit to be not so much an event in its own right as an ingredient in the celebrations of the Bicentenary of the French Revolution. Dumas, the French Foreign Minister, spoke briefly about this in an interview with "Le Monde" on 9 September. He said that "France will be host to next year's Economic Summit on 14 July 1989, the Bicentenary of the French Revolution. . . the developing countries should also in some way be associated with these events, so as to give impetus to the dialogue". You might want to interrogate Attali on exactly how he expects developing countries to be associated. Because of the celebrations, Paris will no doubt be swarming with other Heads of State, particularly from francophone countries.

/ 5.



Tour d'horizon and themes for the 1989 Summit

5. I agree that discussion under these headings is unlikely to get far and it is far too early to select themes. Nevertheless, you may not wish to leave a complete vacuum, which Attali could fill as he chooses.

6. For the tour d'horizon, we can supplement the material promised by Geoffrey Littler with a note on the state of the Uruguay Round and on the progress with the Toronto remit on drugs. I will send these nearer the time of your meeting on 8/9 October.

7. As for themes, I agree very strongly with Geoffrey Littler that a major purpose of the 1989 Summit will be to absorb the new US Administration into the current image of summitry. With Bush, this should not be hard, though if Baker reappears as Secretary of State there could be some changes in direction. Dukakis, on the other hand, might favour a return to the sort of structured summitry which President Carter liked.

8. I would judge that trade and agriculture would again be active subjects. This is not only because of the advances of the Uruguay Round; it follows from the stress on structural questions which emerged at Toronto. On both, US attitudes will be critical: we shall want to influence the way the new Trade Act is applied and the content of a new Farm Bill, whose preparation will begin next year.

9. Geoffrey Littler forecasts French interest in exchange rates, with which I agree. The French may also want to give greater emphasis to the problems of developing countries, often choosing themes which are difficult for us, such as aid volume targets and commodity stabilisation.

10. I am not sure whether you would want to discuss possible non-economic themes for 1989. We will want to keep up the momentum on drugs (which was allowed to lapse after the 1985 Bonn Summit). Since Toronto there has been remarkable progress towards resolving major regional disputes: Iran/Iraq, Angola/Namibia, Cambodia, in addition to Afghanistan. If this progress is sustained, Heads of Government may want to talk about ways of ensuring it is durable.

*Yours own*  
*Nicholas Bayne*

N P Bayne

Copy to Sir G Littler KCB  
HM Treasury

Econ Rec: Shespa

Pr 4



Washington, DC  
September 11, 1988

Dear Colleague:

In accordance with our practice of sharing our correspondence concerning Economic Summit preparations, the following is the text of a letter I have transmitted today to Jacques Attali.

BEGIN QUOTE: M. Jacques Attali  
Special Counsellor to the President of the Republic  
Elysee Palace, Paris

Dear Jacques:

Thank you for your letter of 18 August and telexes of September 5 and 7. I can now confirm that I will attend the first "SHERPA" preparatory meeting at Rambouillet October 8 and 9.

The Presidential transition in the United States this year will pose constraints on our participation in summit preparations prior to the inauguration of the new President. The current administration cannot make any commitments of a procedural or substantive nature for the new administration.

In this context, and with reference to the proposed agenda for the Rambouillet meeting included in your telex of September 7, I would like to clarify the following:

I would not be able to discuss substantive matters such as possible themes for the 1989 Summit.

It seems to me that your agenda item one -- Discussion of progress made on decisions taken at Toronto -- is not a proper function of the SHERPAS, because as you and I have often agreed, the Summit should not establish anything resembling a standing directorate.

We believe the primary function of this first SHERPA meeting should be the one you suggested in your letter of 18 August: namely the discussion of the protocol aspects of this Summit, its relationship to the French Bicentennial, and the selection of dates for the next SHERPA meetings.

In this regard, you should know that it would not be possible for the incoming administration to be represented at a meeting January 21-22.

I am looking forward to the meeting at Rambouillet and to seeing you again.

With best regards,

Sincerely,  
/S/  
Allen Wallis