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① The most important thing is to keep the "second 7-year summit" going.

PRIME MINISTER

② The Uruguay round - Agriculture & Non-protectionism

PREPARATIONS FOR THE 1989 ECONOMIC SUMMIT

The French Sherpa, Jacques Attali, has summoned Sherpas to Paris on Saturday/Sunday 8/9 October for the first meeting to discuss the 1989 Summit. For the agenda, he has suggested:

③ Possible links between aid / red of debt /

1. progress in following up decisions taken at the Toronto Summit, and the economic and political situation;
2. possible themes for the 1989 Summit;
3. dates for the four Sherpa meetings which he has suggested;
4. protocol and procedural matters relating to the Paris Summit.

and proper environment measures.

This is withdrawn

My United States colleague, Allan Wallis, has told Attali, that, in his view, the first two items are not suitable subjects for this first Sherpa discussion. The first - progress with decisions taken at Toronto - is not a proper function for the Sherpas because the Summit should not establish anything resembling a standing directorate. Wallis is also not able to discuss the second item - themes for the 1989 Summit, because of the imminent change in the Presidency.

I agree generally with Allan Wallis. The first item - follow up to the last Summit - would, no doubt, provide material for an interesting chat but is not immediately relevant to the preparation of the next Summit.

On the second item, it is too early to try to identify Summit themes. One important theme will be the cementing of the new United States Administration into the broad economic approach of past Summits. But plans to that end have to await the new President and his team and next summer's outlook for the world



economy. Another important issue will be trade and agriculture - both because of the Uruguay round and as follow-up to the stress on structural questions which emerged at Toronto. But again much will depend on the new United States Administration. The French may want to use the Summit to launch some international financial initiative, perhaps on exchange rates or international debt. Environmental issues, touched on at previous Summits, may be rather more prominent at Paris. But it is too early to come to judgements here.

The real business for Attali's meeting lies under his last two agenda items. Four Sherpa meetings look to be exorbitant. ✓ Allan Wallis has already said that the US would not be able to field a Sherpa for a meeting Attali suggests for January. In any event, that meeting looks unnecessary. Three Sherpa meetings before the Summit look ample. ✓

Attali's discussion will also provide a useful opportunity to interrogate the French on how they intend to run the Summit. They seem to see it as an ingredient in the celebrations of the Bicentenary of the French Revolution. The French Foreign Minister is reported in "Le Monde" on 9 September as saying:

"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".

I will ask Attali exactly what this means. We will need to ensure, tactfully, that the Summit is run as a time for business and not as a sideshow to the Bicentenary festivities. ✓

I shall, of course, report the outcome of the discussions. But it would be helpful to have any particular points that you, the Foreign Secretary or the Chancellor of the Exchequer would wish to make.

I am copying this minute to the Private Secretaries to the Foreign Secretary, the Chancellor of the Exchequer and Sir Robin Butler.

N.L.W.

N.L. WICKS

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