

CONFIDENTIAL



SUBJECT CC MASTER

10 DOWNING STREET

LONDON SW1A 2AA

From the Principal Private Secretary

11 October 1988

Dear Nicholas,

Thank you for your briefing letter of 6 October for the first Sherpas' meeting. This was extremely helpful.

I am sending the Prime Minister a minute, copied to the Foreign and Commonwealth Secretary and the Chancellor of the Exchequer, describing the main points which arose at the Sherpas' meeting. This letter adds some extra details.

- (1) Sherpa Meetings: the dates of the Sherpa meetings for the Paris Summit - though Attali seems determined to call it the Summit of "La Grande Arche" - are set out in the list attached.

Sous-Sherpas are invited to the January meeting and to the June meeting, if it is held. The April and July meetings are to be restricted, at French insistence, to Sherpas; Political Directors will attend part of the July meeting. I tried to keep the meetings to three, dropping the one in January. My colleagues argued, with some force, that the January meeting would be an important element in engaging the US Administration at an early stage into the Summit process. The "optional" meeting is the one after the OECD Ministerial, which seems to be planned for June 1 or thereabouts. I should be surprised if, in the event, that meeting did not proceed, despite its provisional nature at this stage.

Attali seems to have the entire resources of the French state at his disposal to convey Sherpas around France and we will, no doubt hear more about transport arrangements nearer the time.

- (2) The Summit and the Developing Countries: Attali was adamant that LDCs will not be associated with the Summit. He dismissed Dumas' interview in Le Monde; he, not Dumas, was in charge of Summit arrangements. He ridiculed too Friday's Reuters' report about Summit and Bicentennial arrangements (copy attached by courtesy of Alan Wallis) which apparently caused some consternation in Washington.
- (3) Summit Arrangements: Attali presented us with a video of the Summit building - La Grande Arche - where the main business of the Summit will take place. It is available here if your people want to see it. He also

CONFIDENTIAL

provided a folder with photographs and plans, which I assume will be made available to the conference officers.

Ambassador Hennekine - if I spell his name right - the former French Ambassador in Indonesia, has been put in charge of Summit arrangements. Attali said that Embassies had already reserved accommodation in Paris. Is this right?

- (4) Mid-Term Review, Trade and Agriculture: there was a lively debate between Pascal Lamy and Sylvia Ostry about the MTR. Ostry, in typical fashion, stated that unless the EEC respond positively to recent US moves on agriculture, the EC would wreck the MTR and drive the US towards a policy of bilateralism and sectorialism, especially after the new Trade Bill became operational in May. The difficulty of meeting US concerns on TRIPS only added to US sensitivity. Alan Wallis sat impassively through this debate.

Sylvia Ostry's protestations always have to be discounted. But she speaks with considerable experience. You will be better able than I to judge whether her arguments have force.

I do not suggest the Prime Minister should become involved in the details of our approach to the Montreal meeting. But I think that she should be told in good time before Montreal of our position, especially since she took a particular interest in the Review at the Toronto Summit. DTI and MAFF may already have arrangements in hand to do this, but if not, I should be grateful if you could prompt something from them.

- (5) Developing Country Issues: as you surmised in your letter, the French intend to bring developing country issues to centre stage at the Summit, for example, by pushing their initiatives for middle income debtors. We will need to consider how to counter their tactics in as positive a fashion as possible. I should be grateful if you could consider how we might do this. Perhaps we might have a word on the telephone before too long.
- (6) Environment: there was general acceptance with our view that any serious discussion of the environment at the Summit needed careful preparation. We must avoid repetition of last year's experience where incomprehensible passages for the Communique were circulated at the last minute. There was also acceptance that the Summit should not itself establish machinery for environmental issues, but should operate through existing international fora.

It is not too early to begin our own consideration of our tactics so that we are in a position to develop our ideas at the January Sherpa meeting. As you say in your letter, the Department of the Environment will need to be closely associated with our thinking. I wonder whether the first step might not be for them to prepare a paper on possible Summit objectives, and

traps to avoid. The paper might also list the international work now in hand, assess whether the Summit can give it a push and say whether additional work needs to be started. Can we have a word about this.

- (7) Drugs: Attali made a great fuss about the Working Party on Drugs referred to in the Toronto Communique. The French would, he said, continue to have nothing to do with it. There was no question of its reporting to the Paris Summit since the Working Party was not an emanation of the Summit. But his President would certainly not object to a discussion of drugs at the Summit if the other leaders so wanted. In short, there will be ample opportunity for a discussion on drugs if one is needed, provided we take care to dance around French sensitivities.
- (8) Terrorism: Attali went out of his way to say that French objections to the Drugs Working Party did not apply to the meetings of terrorism experts. The terrorism expert group was a special case and would continue. The French would be willing to take the chair after this week's Ottawa meeting.
- (9) Thematic Paper: Attali offered to produce the first draft of a thematic paper for the January meeting of Sherpas.
- (10) Sherpas: we took leave of Alan Wallis and Sylvia Ostry who would shortly be leaving their Sherpa jobs.

I am copying this letter to Geoffrey Littler and John Fretwell.

Nigel
Nigel.

(N.L. WICKS)

Nicholas Bayne, Esq., C.M.G.
Foreign and Commonwealth Office.