CONFIDENTIAL



to see the Foreign and Commonwealth Office

London SW1A 2AH

13 October 1988

N L Wicks Esq CBE 10 Downing Street London SW1

Dear Nigel on

PREPARATIONS FOR THE 1989 PARIS SUMMIT

1. I was most grateful to have your letter of 11 October, as well as your minute to the Prime Minister of the previous day, giving a very thorough account of the Sherpas meeting held last weekend. We spoke briefly and agreed that it would be useful if I gave a preliminary response in writing to the questions raised in your letter.

Summit arrangements

2. I can confirm that we have already reserved accommodation for the Prime Miniser and her delegation at the Crillon Hotel in Paris for this event.

Mid-Term Meeting, Trade and Agriculture

3. I am alerting the DTI and the MAFF, as you suggest, to ensure that the Prime Minister is properly briefed about the Montreal Mid-Term Meeting of the Uruguay Round. This could be important for the Prime Minister's visit to Washington on 16 November. The MTM is taking place during the interregnum between the US Presidential elections and the inauguration of the new President; it is the only major international meeting to do so. There is a risk that American negotiators at the MTM may therefore have very little freedom of movement. This is particularly likely if Dukakis wins; but even if Bush wins, his people may have other things on their minds rather than the Uruguay Round. The Prime Minister's visit to Washington in mid-November could be a critical opportunity to ensure the incoming Administration takes the MTM seriously. I would expect that point to be covered in the briefing provided.



Middle Income Debt

4. You rightly note that this is a tricky tactical issue, given that the French and Japanese already have proposals on the table. The Treasury will naturally have ideas about this; FCO Ministers are also taking an interest. The main point I would make at this stage is that we should not close off any options until we know who will be the next US President and have some clues about what attitude the new Administration will take to the large Latin American debtors.

Environment

5. I fully agree with what you propose about the preparation of our position, both on substance and tactics. I have sounded out the Department of the Environment; they would much welcome the opportunity of preparing a paper on the lines you suggest, in association with us. We could have a further word about the content when you are back in London next week.

Your wor,
Nith Cas
N P Bayne

Copies: Sir G Littler CB, HM Treasury
Sir J Fretwell

NEXT SHERPAS MEETINGS

I - Lascaux

January 30/31 (Monday-Tuesday) Large

11 - Martinique

April 7/8/9 (Friday night - Saturday - Sunday) Restricted

III - Mont Saint-Michel

June 2/3/4 (Friday night - Saturday - Sunday) Large (to be confirmed)

IV - Rambouillet

July 8/9 (Saturday-Sunday) Restricted

(July 7: Meeting of Political Directors)