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INFO PRIORITY WASHINGTON, PARIS, MOSCOW, BONN, UKREP BRUSSELS
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MIPT: MR MULRONEY'S VISIT TO THE SOVIET UNION: ECONOMIC SUMMITS AND
GATT

SUMMARY

1. MR MULRONEY'S PROPOSALS ON DEBRIEFING THE SOVIET UNION ON ECONOMIC
SUMMIT DISCUSSIONS AND SOVIET OBSERVER STATUS AT THE GATT WERE
LARGELY HIS OWN INITIATIVES. DEA HAVE NO PREPARED BLUEPRINTS FOR
THEIR IMPLEMENTATION.

DETAIL

2. ON 24 NOVEMBER WE ASKED THE DIRECTOR OF THE DIVISIONS DEALING WITH
ECONOMIC AFFAIRS AND THE GATT IN DEA ABOUT MR MULRONEY'S PROPOSALS
THAT EACH YEAR THE OUTGOING CHAIRMAN OF THE ECONOMIC SUMMIT SHOULD
DISCUSS WITH THE PRESIDENT OF THE SOVIET UNION THE OUTCOME OF THE
SUMMIT AND THAT OBSERVER STATUS FOR THE SOVIET UNION AT THE GATT
SHOULD BE EXAMINED. SPEAKING IN CONFIDENCE (PLEASE PROTECT) THEY GAVE
US THE FOLLOWING BACKGROUND TO THESE TWO INITIATIVES.

3. ON THE ECONOMIC SUMMIT PROPOSAL, THEY CONFIRMED THAT THIS HAD NOT
BEEN WORKED UP AS AN AGREED INTERDEPARTMENTAL PROPOSAL IN ADVANCE OF
MULRONEY'S VISIT TO THE SOVIET UNION. THEY ALSO SUGGESTED THAT
MULRONEY MIGHT HAVE CLEARED HIS LINES ON IT WITH PRESIDENT BUSH
ALTHOUGH THEY HAD NO SPECIFIC EVIDENCE OF THIS. INDEED, DURING A
PRESS CONFERENCE WHICH MULRONEY GAVE IN MOSCOW, HE HAD DENIED THAT
HE HAD CONSULTED PRESIDENT BUSH IN ADVANCE ABOUT IT. AT THE SAME
PRESS CONFERENCE MULRONEY ALSO SAID THAT GORBACHEV HAD REACTED
FAVOURABLY TO THE PROPOSAL AND THAT HE DID NOT SEE WHY IT SHOULD
CAUSE ANY TROUBLE TO THE OTHER MEMBERS OF G7. OUR DEA CONTACTS SAID
THAT TRADITIONALLY THE CHAIRMAN OF THE ECONOMIC SUMMIT HAD A FAIR
DEGREE OF LATITUDE TO DEBRIEF NON-PARTICIPANTS ON THE OUTCOME AND
THERE WERE GOOD ARGUMENTS FOR NOW INCLUDING THE SOVIET UNION IN THIS
PROCESS. THE MODALITIES WOULD HAVE TO BE WORKED OUT. THEY SUGGESTED
THAT SHERPAS MIGHT WISH TO DISCUSS THIS PROPOSAL AT ONE OF THEIR
FORTHCOMING MEETINGS.

4. OUR DEA CONTACTS ALSO CONFIRMED THAT THE GATT PROPOSAL HAD EMERGED FROM THE PRIME MINISTER'S OFFICE (PMO). THEY TOLD US THAT THERE HAD BEEN CONSIDERABLE DEBATE TAKING PLACE WITHIN THE DEA ON THE SUBJECT OF SOVIET ASSOCIATION WITH INTERNATIONAL ECONOMIC AND FINANCIAL INSTITUTIONS. THE LINE WHICH DEA HAD SUBMITTED ON THIS IN THE BRIEFING FOR MULRONEY'S VISIT WAS COUCHED IN FAIRLY GENERAL TERMS WITHOUT ANY SPECIFIC COMMITMENT TO SOVIET ASSOCIATION WITH, OR MEMBERSHIP OF, ANY OF THE MAJOR ORGANISATIONS INCLUDING THE GATT. CLEARLY, HOWEVER, THE PMO HAD DECIDED THAT HE SHOULD SAY SOMETHING MORE SPECIFIC AND GATT WAS THE OBVIOUS CHOICE BECAUSE OF THE POSSIBILITY OF OBSERVER STATUS. THAT SUGGESTED THAT MULRONEY MIGHT HAVE ALSO BEEN INFLUENCED BY COMMENTS WHICH PRESIDENT MITTERRAND APPARENTLY MADE IN A RECENT SPEECH AT BRUGES IN WHICH HE TOO REFERRED TO THE POSSIBILITY OF SOVIET OBSERVER STATUS AT THE GATT. THEY ALSO POINTED OUT THAT IN COMMENTS TO THE PRESS IN MOSCOW MULRONEY MADE IT CLEAR THAT IT WOULD BE A LONG TIME BEFORE THE SOVIET UNION WAS READY FOR FULL INTEGRATION INTO INTERNATIONAL BODIES SUCH AS THE WORLD BANK, THE IMF, THE GATT AND OECD. THEY SAID THAT THEY INTERPRETED MULRONEY'S PROPOSAL AS BEING LIMITED TO OBSERVER STATUS IN THE GATT COUNCIL BUT THEY HAD NO INSTRUCTIONS YET ON HOW AND WHERE THEY SHOULD PURSUE IT. THEIR PRELIMINARY VIEW WAS THAT THEY MIGHT WISH TO PROPOSE INFORMAL DISCUSSIONS WITH LIKE-MINDED NATIONS IN GENEVA AND A DISCUSSION IN THE TRADE COMMITTEE AT THE OECD.

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