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From the Private Secretary

21 May 1987

VENICE ECONOMIC SUMMIT

The Prime Minister has seen Sir Robert Armstrong's minute of 18 May covering the final version of the thematic paper for the Venice Summit.

Bearing in mind that the main points of the Summit economic declaration will be carried on radio and television in the United Kingdom on the eve of polling day and in the press on polling day itself, the Prime Minister would like the Foreign Secretary and the Chancellor to give particular attention to points favourable to the Government which we should work to have included in the text. She is particularly concerned that the declaration should not attract pessimistic headlines about future economic prospects. There are passages in the thematic paper, e.g. paragraphs 1.2 and 2.5 which could, if reflected in the declaration, lead to that. She would be grateful if draft language could be prepared for tabling at the appropriate time, which would ensure a reasonably confident tone.

It would also be helpful to work up language on a number of other points for the declaration, which we could point to either as supportive of the Government's policies or as distinctive British achievements from the Summit. Possible candidates are:

- a specific and approving reference to our economic performance (this would need to be proposed by someone else);
- a stronger reference in the Economic Declaration than any yet achieved to Japan's resolve to reduce its external surplus;
- endorsement of the Chancellor's debt initiative;
- commitment to action to deal with agricultural surpluses;
- a robust statement on terrorism. We already have a good text.

- an explicit endorsement by the Summit Seven that nuclear weapons will continue to have a vital role in the West's defence (in the East/West declaration if there is one).

This letter is, as its privacy marking makes clear, for the Foreign Secretary and the Chancellor only. It will be up to them to issue appropriate instructions to officials. The Prime Minister would like to be kept informed of the work being done.

I am copying this letter to Alex Allan (H.M. Treasury).

CHARLES POWELL .

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Foreign and Commonwealth office.