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3 June 1987

From the Private Secretary

Dear Robert,

VENICE ECONOMIC SUMMIT: POSSIBLE EAST/WEST DECLARATION

I have seen a copy of Sir Robert Armstrong's letter to you of today's date about the United States' draft for a declaration by the Venice Economic Summit on East/West relations.

There are a number of points to consider:

- it would be absurd to have a row at Venice over a text on East/West relations when the views of the participants are in practice probably closer than on any earlier occasion;
- if the American draft is likely to be divisive, then it strengthens the case for having no declaration. That case is further reinforced by the Canadian decision to press their text on South Africa, which we do not like at all. The best outcome would be to have no texts on regional political issues. But this will run counter to the Americans' probable wish to have a text on the Gulf.
- if there is to be a text on East/West, I am fairly sure that the Prime Minister's preference would lie with the American draft - with our amendment - since it is more substantial. The existing consensus draft is the least desirable outcome.

The conclusions that I draw are that:

- we should make clear to the Americans that we have no difficulty with the substance of their text provided our amendment is included;
- but go on to explain our understanding of the difficulties it is likely to cause others. The Americans would be well advised to discuss it privately with the French and Germans before deciding whether to table it;
- argue that a divisive row at Venice about a text would be an unnecessary, self-inflicted wound at a time when the views of the Summit Seven on East/West matters are remarkably united;

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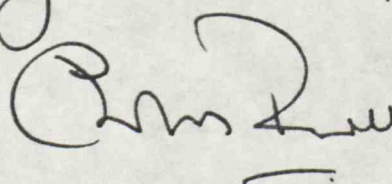
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- conclude that the best course is to avoid any declaration on East/West or on South Africa, while expressing willingness to consider a statement on the Gulf, on the grounds that this is a more urgent and operational matter.

This is not very different to the line suggested by Sir Robert Armstrong, except in its assessment of the merits of the existing draft on East/West. I wonder, however, whether a message to Shultz or Carlucci would not be making too much of the problem. An alternative would be to instruct the Embassy to make the points orally both to the White House and the State Department at the appropriate level.

I am unlikely to be able to obtain the Prime Minister's views until tomorrow (although I am fairly sure that she would agree).

I am copying this letter to John Howe (Ministry of Defence) and to Sir Robert Armstrong.

Yours sincerely  


(C. D. POWELL)

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Foreign and Commonwealth Office.