



Foreign and Commonwealth Office  
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N Wicks Esq CBE  
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C.F.  
B/F NLW  
28 March 1988  
by 15 Apr. or when FCO  
give further thoughts referred to it  
X N.C.J

Dear Nigel,

**ECONOMIC SUMMIT: POSSIBLE TOPICS FOR THE INFORMAL DISCUSSION**

1. I delayed replying to your letter of 15 March (on which I have now seen Geoffrey Littler's comments) until I had refreshed my memory about the last time when items like the future provision of health service care were considered as possible candidates for Summit discussion. You will remember that you floated the idea before the Tokyo Summit in 1986 that the Prime Minister might introduce a discussion at Tokyo of the growth in long term social expenditure. The Prime Minister subsequently suggested that the Summit might discuss the effects on unemployment of new technology and of levels of social services provision. Briefs were duly prepared. But so far as I know the Prime Minister decided not to raise the issue in Tokyo, and no mandate was given to Personal Representatives to consider and make recommendations before the next Summit, as had originally been proposed.

2. The Foreign Secretary had doubts at the time about the idea: he thought it could be sensitive in electoral terms, as it had been in the past. I have not consulted him about your health care proposal, which is closely related but I would expect him to be equally cautious on this occasion. I do not know what the attitude of other heads of government would be. If they in fact shared the Prime Minister's perceptions about the way forward, well and good. You could sound your Sherpa colleagues very discreetly in mid-May, before we decide to commit ourselves. But it is the domestic political effect which is the most important, and it would be best to get a steer from the Prime Minister and others Ministers first.

3. You may know that OECD Social Affairs Ministers will be meeting in July, and that at US instigation one of the agenda items will be the financing of social programmes. I understand that Social Affairs Ministers will indeed look at long term trends in social expenditure, including health, against the background of demographic changes. So one possible approach at the Summit would be to work a communiqué language which highlighted the importance of this OECD meeting, and said that social expenditure trends were a common concern of all Summit participants. This would have the advantage of focussing attention on the OECD and not creating any follow-up Summit machinery. But I think you would have to discuss

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prospects for the OECD meeting with the DHSS: for all I know it may turn out to be a damp squib, that we would not want the Summit to highlight.

X/ 4. We are looking at ideas for other topics for the informal discussion, as you requested. We have one or two ideas, and I shall write again when we have cleared our minds.

*Yours ever,*

*Rodric*

R Q Braithwaite

cc Sir Robin Butler KCB CVO, Cabinet Office  
Sir G Littler KCB, HMT

ECON POL Sherpa Admin PT2

