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FM WASHINGTON
TO PRIORITY FCO
TELNO 1794
OF 302320Z JUNE 89
INFO PRIORITY PARIS, TOKYO, BONN, ROME, UKREP BRUSSELS
INFO PRIORITY OTTAWA

YOUR TELNO 1209: PROSPECTS FOR THE PARIS ECONOMIC SUMMIT

1. AS REPORTED IN TELECON BONE/RICHARDSON (ERD), WE SHALL HAVE OPPORTUNITIES TO DISCUSS THE PROSPECTS WITH SENIOR CONTACTS ON THE ECONOMIC SIDE OF THE ADMINISTRATION ON JULY, AND WITH KIMMITT ON THE POLITICAL SIDE ON 5 JULY. WE SHALL THEREFORE AIM TO LET YOU HAVE UPDATED US VIEWS AT THE LATEST DESKBY FIRST THING ON 6 JULY IN TIME FOR THE DISCUSSION AT RAMBOUILLET.

2. MEANWHILE, THE STATE DEPARTMENT HAVE GIVEN US A COPY OF THEIR RESPONSE TO A FRENCH REQUEST FOR VIEWS ON WHAT THE POLITICAL DECLARATION SHOULD CONTAIN. THE US EMBASSY IN LONDON WERE INSTRUCTED TO HAND A COPY OF THIS TO THE FCO, IN CASE THEY HAVE NOT DONE SO, A COPY FOLLOWS BY FAX TO POWELL (POLICY PLANNERS).

3. BAKER BRIEFED THE PRESS HERE ON 29 JUNE ON THE ADMINISTRATION'S APPROACH TO THE SUMMIT. THIS WAS MADE UP LARGELY OF GENERALITIES. BUT BAKER (AND ALSO THE US PAPER ON THE POLITICAL DECLARATION) HIGHLIGHTED THE IMPORTANCE OF EASTERN EUROPE AS A TOPIC FOR THIS YEAR'S SUMMIT. BAKER NOTED THAT THE PRESIDENT WOULD BE ARRIVING IN PARIS FROM EASTERN EUROPE AND THOUGHT THAT THERE WOULD BE GREAT INTEREST AMONG SUMMIT PARTICIPANTS IN HIS EVALUATION OF THE PROSPECTS FOR POLITICAL AND ECONOMIC REFORM THERE. QUOTE THE SUMMIT WILL PRESENT AN OPPORTUNITY FOR WESTERN LEADERS TO CONSIDER MEASURES THAT THEY MIGHT UNDERTAKE TOGETHER TO SUPPORT THE CHANGE THAT IS TAKING PLACE IN EASTERN EUROPE UNQUOTE. BAKER LATER ADDED THAT HE HOPED THE SUMMIT WOULD ADOPT SOME GENERAL PRINCIPLES ON WESTERN AID TO EASTERN EUROPE, AS THE TORONTO SUMMIT DECLARATION HAD DONE WITH RESPECT TO WESTERN LENDING TO THE SOVIET UNION.

4. ON OTHER ISSUES, BAKER'S BRIEFING CONTAINED NO SURPRISES. HE SAID THAT:

- (I) THE POLITICAL DECLARATION SHOULD ALSO COVER, AMONG OTHER THINGS, CHINA, THE MIDDLE EAST, AND CENTRAL AMERICA:
- (II) ON THE INTERNATIONAL ECONOMY, THERE WOULD BE

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- DISCUSSIO OF DEBT, TRADE AND THE REINVIGORATION OF THE ECONO IC POLICY COORDINATION PROCESS:
- (III) ON THE ENVIRONMENT, THE US EXPECTED THE SUMMIT TO DISCUSS GLOBAL CLIMATIC CHANGE, DEFORESTATION, CONSERVATION OF THE OCEANS, HAZARDOUS WASTE AND OZONE DEPLETION:
 - (IV) THERE WAS ALSO LIKELY TO BE DISCUSSION OF TRANS-NATIONAL ISSUES, IE NARCOTICS, TERRORISM AND WEAPONS PROLIFERATION.

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