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MR. POWELL

cc Mr. J. S. Wall +
Mr. A. Allan +
Sir John Fretwell +
Mr. H.P. Evans +
Mr. N.P. Bayne +
Mr. R.A. Burns +
Mr. B.I. Ingham +

POLITICAL TEXTS

The Sherpa's went through the political texts again last night.

Terrorism

No changes were made to the text on Terrorism. Changes were suggested to the Declarations on Human Rights, China and East/West Relations. The new texts are attached. Some comments:

China

- Paragraph 1: "violent" has been substituted for "brutal" in the first line.
- Paragraph 2: The words "wherever applicable" after "suspend" have been replaced, to avoid an ambiguity, by "where it exists" at the end of the sentence.
- Paragraph 3: The sentence in square brackets at the end of the paragraph is a Japanese suggestion. It looks a little odd, and perhaps suggests too much of an olive branch. But the Prime Minister may think we can go along with it.
- Paragraph 4: The sentence in square brackets is our text. Sherpas said they would want to discuss it with their Ministers. There is some suspicion

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that it might commit them, in some way, to accepting refugees. Both the Prime Minister and the Foreign Secretary will, I think, need to talk strongly to their colleagues in order to get the sentence, or something like it, accepted.

Human Rights

Paragraph 1, 2 and 3: Editorial changes.

Paragraph 4: No change

Paras 5 & 6 This is a former combined paragraph, split into two with the drafting improved.

Paragraph 7: Unchanged

Paragraph 8: A stronger reference to torture, which looks acceptable.

Paragraph 9: A new paragraph which reflects Canadian, French and other drafting. I think that the reference to fraternity, particularly in this capital and at this time, is acceptable. (The Canadians baulk at brotherhood - because of their equal opportunity laws!).

Paragraph 10: The last sentence is new. It virtually reflects a sentence in the 1984 London Declaration (and I think has echoes of an Anglican Prayer (in the Communion Service?)). I think it just about acceptable.

Paragraph 11: "disabled" is replaced by "handicapped". "all" has replaced "fundamental" before human rights.

Paragraph 12: The reference to future generations' right to inhabit a healthy environment has been dropped, as we wanted, and replaced with an obligation placed on the present generation.

Last paragraph: unchanged.

EAST/WEST RELATIONS

Paragraphs. 1, 2 and 3: Unchanged.

Paragraph 4: You will recall from Stephen Wall's letter of 11 July that the FRG Sherpa agreed to consult Chancellor Kohl about the inclusion of a passage in this paragraph on nuclear deterrence. The Sherpa has done so and reported that Chancellor Kohl was ready, if other Heads thought it important, to include in this paragraph text based on the exact words in paragraph 11 of the NATO communique. (In fact, the text would have to be changed for editorial reasons, and possible words are attached.) The FRG Sherpa indicated that Herr Genscher would prefer there to be no reference at all.

My own view, and I think of Sir John Fretwell, is that we should seek to include such a passage. But to have a chance of success we need strong American support for it. Others, notably the Italians, and perhaps the Japanese, are wobbly.

Paragraph 5: The reference to the EC's agreements with Czechoslovakia has been omitted since it was thought that a reference to that still repressive country chimed in ill with references to Hungary and Poland.

Paragraph 6: Many changes. The first sub-paragraph looks acceptable. The first set of square brackets are US language to which there is French objection. I think we should seek to amend the first part of the sentence so it reads:

"Several of us have already developed concrete initiatives designed to encourage economic adjustment, ..."

The purpose of the change here is that the reference to the "strains [not the strength] of economic adjustment" gives a little the impression that the Polish economy has already undergone much economic adjustment. Most of the adjustment has still to come.

The second set of square brackets is again US language. There are strong French objections. They want the entire last sentence omitted and the first two sentences amended to read:

"We agreed to work to support the process of reform under way in Hungary and Poland. To this end each of us will ensure that each of our measures of support are effective and mutually reinforcing."

The purpose of the French changes, which at least at Sherpa level are strongly sought, are to avoid any institutionalisation, under what they would fear would be American domination, of financial support for Poland. The more general question prompted by this paragraph is - What precisely does it mean in practice? How will support be concerted? Who will do it? What does "monitoring the relationship" between the multilateral programmes" etc. mean? The Heads and Foreign Ministers need to discuss the policy here underlying this passage before Sherpas can draft.

Personally I can see some scope for regular consultations between G7 (and perhaps other interested governments - in the case of Poland, Sweden, and Hungary, Austria) about their reform programme, for example:

- to prevent duplication of and support to provide a proper division of labour for support programmes.
- to cajole, stroke, stiffen etc. the Polish government's resolve once the IMF reform programme is agreed so that it is effectively implemented, (i.e. the sort of process that we are engaged upon with the Nigerians).

Paragraph 7: No changes, though the Japanese are unhappy about the reference to the strengthening the debt strategy applying to Poland.

Finally, you should know that the Italians are arguing, without any support, that somewhere in this declaration, or in any other declaration, there should be a phrasing reference to the Yugoslav reform programme (even though inflation there is running at over 1000 per cent!).

It would be helpful to have any comments which the Prime Minister might have on these points.

N.L.W.

(N.L. WICKS)

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