

BILATERAL WITH SIGNOR CRAZI

Economic Summit

1. Importance of a clear message from the Summit of commitment to non-inflationary growth and resistance to protectionism. Important to set a date for new GATT round.
2. No case for international monetary conference which would raise unrealisable expectations. Continue to work within IMF/World Bank framework.
3. Must not allow France to drag Summit into unnecessary confrontation with the US over SDI.

European Community

4. Congratulate Italian Presidency on achievements to date.

5. We should have substantive discussion of the future of the Community at the June European Council leading to decisions. No need for long drawn-out intergovernmental conference.

6. Our priorities will be: completion of the internal market: strengthening political cooperation: practical steps to improve decision-taking (more use of majority voting provisions of the Treaty, and of abstention procedure).

7. Vital to resist any attempt by European Parliament to transfer our abatement from revenue to expenditure side.