

B.R.

MR. BARCLAY

SUMMIT BRIEFING

Please see attached papers. My interpretation of the Prime Minister's note is that the letters for Mr. Hawke and Mrs. Gandhi can be typed for her signature as they stand. But the Foreign Office should also have ready by Wednesday a separate letter - which might or might not be handed over by Sir Crispin Tickell - on the subject of the Sikhs. Could you please pursue this.

Duty Clerk
PP CDP

25 June 1984

MR. POWELL

Prime Minister
I think that it would be
best to keep the letters
on Sikhs & Tamils
~~separate~~ from those on
the Economic Summit.

Messages to Mrs. Gandhi

two ~~big~~ letters attached?
Agree to sign
C D P
26/6

I have had the messages about the Economic Summit to Mr. Hawke and Mrs. Gandhi typed up, and they are below.

I understand from the Foreign Office that they are intending to let us have draft replies for the Prime Minister to send to Mrs. Gandhi's two messages on Sikhs and Tamils no later than the end of this week. On this timetable, they could be delivered by our High Commissioner before Sir Crispin arrives in India.

It seems to me that this course of action might meet the Prime Minister's concern. But you will wish to consider.

David

DAVID BARCLAY

25 June, 1984

PRIME MINISTER

POST SUMMIT BRIEFING

Crispin Tickell is leaving straight after Fontainebleau to brief Mr. Hawke and Mrs. Gandhi on the Economic Summit on your behalf.

A He wants to take a letter from you to each of them as his entry ticket. I believe that you, rightly, do not normally approve of messages in these circumstances. But since it is a case of an official seeing Prime Ministers, I think it would be appropriate this time.

It is also suggested that you should see him before departure. There will be plenty of time for that on Monday and Tuesday!

Agree messages?

CSP

I think Mrs. Gandhi will also expect a letter which gives some reply about the Sinks. Clearly that will be on her mind much more than the Economic Summit
not

22 June 1984

CCPC



Foreign and Commonwealth Office

London SW1A 2AH

22 June 1984

*Dear Charles,*Post-Summit Briefing

As you know, the Prime Minister has asked Sir Crispin Tickell to give a special post-Summit briefing to the Prime Ministers of Australia and India. He departs on 28 June.

The Prime Minister acknowledged the messages from Mr Hawke and Mrs Gandhi. But the Prime Minister may think it appropriate to send further brief letters which Sir Crispin could deliver personally. I enclose copies of the earlier correspondence and two draft letters. It would also add authenticity to his role as a personal emissary if the Prime Minister could spare a few minutes to see Sir Crispin before his departure.

Sir Crispin will also see the Indonesian Foreign Minister, Dr Mochtar Kusumaatmadja, in Jakarta, where he will hand over a letter from the Secretary of State in reply to a message sent before the Summit by Dr Mochtar in his capacity as Chairman of the ASEAN Standing Committee.

I am copying this letter and enclosures to David Peretz (HM Treasury) and Richard Hatfield (Cabinet Office).

*Yours ever,**Len Appleyard*

(L V Appleyard)
Private Secretary

C D Powell Esq
10 Downing Street

DRAFT: minute/letter/teleletter/despach/note

TYPE: Draft/Final 1+

FROM:

Reference

Prime Minister

A

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

Top Secret

Mrs Indira Gandhi
Prime Minister of India
NEW DELHI

Secret

Copies to:

Confidential

Restricted

(to be dated 27 June)

Unclassified

PRIVACY MARKING

SUBJECT:

.....In Confidence

When I wrote to you on 30 May I promised to send ^a ~~an~~ *personal representative* emissary to India to brief you on the outcome of the London Economic Summit. I gather that you have kindly agreed that Sir Crispin Tickell should call on you on 9 July.

CAVEAT.....

As I told the House of Commons on 12 June, we had a workman-like and constructive meeting which achieved a very large measure of agreement on basic objectives, on both the economic and political fronts. Your letter, and the other messages we received, were particularly valuable in helping us to put the problems we considered in the wider perspective. The Economic Declaration which sets out our overall approach and which includes a series of points for action over the next 12 months is, in my view, a very positive and comprehensive statement. I am sure that you and your advisers will already have had an opportunity to read it and I have asked Sir Crispin to give you a frank and detailed account.

Enclosures—flag(s).....

Sir Crispin will also be seeing Mr Hawke in Canberra and the representatives of ASEAN in Jakarta. I shall much look forward to reading his report of his meeting with you.

DRAFT: minute/letter/teleletter/despach/note

TYPE: Draft/Final 1+

FROM:

Reference

Prime Minister

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

The Hon Robert Hawke AC MP
Prime Minister of Australia
CANBERRA

Copies to:

(To be dated 27 June)

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

When I replied to your letter of 18 May I said I would arrange to send Sir Crispin Tickell to brief you on the outcome of the London Economic Summit. I gather that you have kindly agreed that he should call on you on 2 July.

As I said in the House of Commons on 12 June, we had a workman-like and constructive meeting which achieved a very large measure of agreement on basic objectives, on both the economic and political fronts. There were naturally areas in which one or other of us would have liked to have gone further, but the Economic Declaration which set out a global approach and which includes a series of points for action over the next 12 months is, in my view, a very positive and comprehensive statement.

Sir Crispin will also be going on to meet representatives of ASEAN in Jakarta and to see Mrs Gandhi in New Delhi. I shall much look forward to reading his report of his meeting with you.

Enclosures—flag(s).....

Text of Mrs Gandhi's letter to the Prime Minister

New Delhi,
May 16, 1984

Last year, after the Nonaligned Summit I wrote to you, drawing your attention to its recommendations on the current economic crisis as well as for longer term structural changes.

There have been several discussions to find a basis for the North-South dialogue. None has yielded any positive results. There is general despondency amongst developing countries because their plight is worsening, and threatening prosperity and stability everywhere. The problems of the industrialised countries are also not entirely over. In some of them, there are signs of recovery but it remains weak and uncertain and we have yet to see its impact on developing countries. In an inter-dependent world, recovery in the North will be difficult to sustain without growth in the South.

Hasn't the time come for us to give some impetus to such a dialogue? For instance, a fresh initiative could be considered on the question of money and finance. The functioning of the international monetary and financial system has been under close scrutiny in different forums, including the Williamsburg Summit and the Commonwealth Heads of Government Meeting. In pursuance of a decision taken by the Nonaligned Summit in New Delhi to call an International Conference on Money and Finance for Development, we set up a high level group of experts, which has just finalized its report. Such a Conference would be possible only after a thorough preparatory process, which will take time. Therefore, our immediate concern is to break through the impasse and find a way of beginning some dialogue between the North and the South. Time is not on our side. The different summit processes would eventually need to come together.

The urgent need to implement a programme of immediate measures and to launch global negotiations remains. These issues have been discussed on several occasions, notably at UNCTAD VI and during the 38th session of the UN General Assembly.

Both these long-term and the short-term issues are probably also engaging your attention and may figure in your deliberations at the forthcoming London Summit. I am asking my personal emissary Mr.L.K.Jha to explain our suggestions to your Government. There will be other ideas also. We are open to suggestions and I should be glad to know your own views. I also hope that our concerns will be taken into consideration in the course of your talks in London.

With regards and good wishes,

The Rt. Hon. Margaret Thatcher,
Prime Minister of Britain,
London.



AUSTRALIAN HIGH COMMISSION

AUSTRALIA HOUSE
STRAND
LONDON WC2B 4LA
01-438 8000

THE HIGH COMMISSIONER

18 May 1984

My dear Prime Minister,

Mr Hawke has asked me to pass to you, in your capacity as host to the Western Economic Summit, the following advance text of a letter dated 18 May:

Text begins:

My dear Margaret,

Australia considers the forthcoming Western Economic Summit, to be held in London from 7-9 June 1984, to be of crucial significance for the international community. Most importantly it comes at a critical juncture in the efforts by all of us to secure a durable and more broadly based international economic recovery.

Australia, as my Foreign Minister Bill Hayden would have indicated to you earlier this week, would want to see the Summit promote policies to ensure that the present international recovery is sustained and be of benefit to both developed and developing countries. The problems of unemployment, inflation, debt and continued interest rate pressures require realistic policy responses. Australia would urge the Summit participants, in conformity with their global responsibilities, to adopt a responsible, longer term perspective which recognises global interdependence and the interests of developing countries, debtors and middle countries such as Australia.

Australia attaches particular importance to the future shape of the world trading regime. We think it particularly necessary that the Summit promote a more open trading system through the liberalisation of trade.

As you know I have been urging countries of the Asia Pacific region to consider carefully their interests in a possible new multilateral round of trade negotiations. Following agreement by their respective

.../2

countries, Senior Trade Officials from Australia, Brunei, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Republic of Korea, Singapore and Thailand met informally from 30 April - 1 May 1984 in Denpasar, Indonesia, to discuss how countries of the Western Pacific region might approach the suggestion that there should be a new round of multilateral trade negotiations. More specifically the meeting sought to identify what countries of the region might expect of any new round and to isolate the concerns and apprehensions they would want taken into account in any decision to proceed with a new round.

An open trading system was acknowledged to be essential both to the improvement of the international economy and to the continued economic dynamism of the region. Those participating in the meeting agreed that, with strengthening economic recovery, now would be a good time to implement trade liberalisation.

These and other specific points arising out of the Denpasar meeting have since been considered by the ASEAN Economic Ministers and have, I believe, been the subject of a separate communication to you by them.

Australia, for its part, shares the widely held view of participants at the Denpasar meeting that the issue of trade liberalisation was not satisfactorily addressed either in the GATT Ministerial Meeting of November 1982 or in the GATT Work Programme which emerged from it. Effective trade negotiations can only proceed on the basis of the principle of trade liberalisation which improves access particularly in developed country markets.

Meaningful benefits, especially for developing countries, depend primarily on an unequivocal commitment on the part of the three major trading blocs to negotiate to facilitate expanded access to their markets, given the volumes of their trade in the international context.

Accordingly, it is Australia's view that, in order for a new round of trade negotiations to receive wide support :

- 1) Commitments involving trade liberalisation undertaken in the Tokyo round must move to finality within the agreed timeframe.
- 2) Any new round should not impede the rate of progress in fulfilling the objectives of the 1982 GATT Ministerial Meeting and the Work Programme which was agreed at that meeting.

- CONFIDENTIAL
- 3) The major industrialised countries should develop formal negotiating commitments endorsed by their governments, to reduce existing barriers to trade and to preclude the introduction of new impediments to trade.
 - 4) The issues for negotiation in trade liberalisation in any new round must include
 - textiles
 - tropical products
 - agriculture
 - safeguards
 - subsidies
 - non-tariff barriers
 - structural adjustment
 - tariff escalation.
 - 5) While discussions are proceeding on the possibility of a new round, countries should agree to halt the introduction of any new or additional protectionist measures.

Many of these views were strongly reaffirmed in the recent Trade Ministers Meeting convened by the US Special Trade Representative Brock in Washington between 10-12 May 1984. That meeting agreed that a new round of trade negotiations, provided it happened soon, would extend important opportunities for developing country markets while avoiding the need for defensive trade policies in their own markets.

There was a general sense at the Washington Meeting that the GATT Work Programme was not making satisfactory progress. The Meeting also agreed that completing the Work Programme was an important priority. It was recognised that if the Work Programme was to form a solid basis for a new round, stronger political impetus and commitment would be needed. In that regard it was suggested that another meeting be held in Geneva in the next few months to give direction to these pressing GATT issues. Australia, for its part, attaches considerable importance to the success of such a meeting and would look to all Summit participants to strongly endorse its purpose.

What is needed at this juncture is strong leadership by the industrial countries represented at the Summit.

More specifically, the GATT needs more political direction in the areas of safeguards/structural adjustment, non tariff measures and trade areas of particular importance to the developing countries. Australia, for its part, would also attach particular importance to issues involving trade in agriculture given its prime significance and implications for the orderly management of international trading arrangements.

Australia, as an industrialised country, is prepared to commit itself to the full implications of a genuine process of multilateral trade liberalisation, necessarily carrying with it the need for appropriate measures of domestic structural adjustment. We think it important that all countries, and particularly the major industrial countries, accept their responsibility in this regard and urge all Summit participants to be quite specific in their commitment to this process.

Yours sincerely,

(R.J.L. Hawke)

Text ends.

Yours sincerely

A.R. Parsons

A.R. Parsons

The Rt Hon. Margaret Thatcher, M.P.
Prime Minister
10 Downing Street
LONDON SW1

22 JUN 1984

