

RESTRICTED

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RECOMMENDED DISTRIBUTION 12 APRIL 1983

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FROM UKREP BRUSSELS 111848Z APR
TO IMMEDIATE FCO
TELEGRAM NUMBER 1432 OF 11 APRIL
INFO IMMEDIATE WASHINGTON
INFO PRIORITY ROME PARIS BONN

MY TWO IMMEDIATELY PRECEDING TELEGRAMS: MEETINGS OF TRADE AND
FINANCE MINISTERS OF THE SEVEN.

FOLLOWING IS COMMISSION SUMMARY OF U.S. IDEAS ON TRADE FOR
WILLIAMSBURG:

WILLIAMSBURG SUMMIT
PREPARATION OF AGENDA ITEM CONCERNING TRADE AND DEBT
MAIN POINTS MADE INFORMALLY BY THE U.S. SIDE

STRENGTHEN COMMITMENT TO "REFRAIN FROM TAKING OR MAINTAINING
ANY MEASURES INCONSISTENT WITH THE GATT"
WE WOULD LIKE TO SEE THREE THINGS EMERGE FROM THE SUMMIT IN THIS
AREA:

1. SUMMIT LEADERS SHOULD PUT THEIR PERSONAL STAMPS OF APPROVAL
ON THE COMMITMENT TO KEEP THE TRADING SYSTEM OPEN. AGREEMENT TO
DISCOURAGE THE ENACTMENT OF NEW TRADE BARRIERS SHOULD BE STRONG
AND CLEAR IN STATEMENTS MADE BY INDIVIDUAL SUMMIT LEADERS TO THE
PRESS.
2. SUMMIT LEADERS SHOULD ALSO MAKE CLEAR THEIR DETERMINATION TO SUPP-
ORT THE DISMANTLING OF EXISTING TRADE BARRIERS AS ECONOMIC
RECOVERY PROCEEDS.
3. IF A SUMMIT DOCUMENT IS ISSUED, IT SHOULD CONTAIN STRONG
LANGUAGE IN SUPPORT OF FREE TRADE.

AGREE TO MORE FREQUENT MEETINGS OF TRADE MINISTERS
INCREASED CONTACTS AT THREE LEVELS SHOULD BE ADVOCATED:

1. WE SHOULD PROPOSE GREATER EMPHASIS ON AND MORE FREQUENT MEETINGS
OF SMALL GROUPS OF TRADE MINISTERS SUCH AS THE QUADRILATERAL
MEETINGS INITIATED BY AMBASSADOR BROCK. SUCH INFORMAL MEETINGS
MIGHT FROM TIME TO TIME BE EXPANDED SOMEWHAT TO INCLUDE TRADE
MINISTERS FROM OTHER COUNTRIES OR COULD AT TIMES INCLUDE
FINANCE MINISTERS. THE PRIME PURPOSE OF THESE MEETINGS WOULD BE TO
IMPROVE COMMUNICATION AND COOPERATION AMONG KEY MINISTERS AND TO
FOCUS ATTENTION ON CRITICAL ISSUES AS THEY AROSE.
2. IN LIGHT OF THE GROWING IMPORTANCE OF THE TRADE/MONETARY
RELATIONSHIP AND OF THE NECESSITY OF ACHIEVING A SUCCESSFUL
RESOLUTION OF THE CURRENT DEBT SITUATION AND ASSURANCE THAT
SERIOUS PROBLEMS WILL NOT RECUR, SUMMIT LEADERS SHOULD CONSIDER
AD HOC MEETINGS OF TRADE AND FINANCE OFFICIALS AT ALL LEVELS.

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/ SUCH MEETINGS

SUCH MEETINGS COULD INCLUDE REPRESENTATIVES FROM MAJOR DEVELOPING COUNTRIES

3. WE SHOULD PROPOSE CALLING ANOTHER MEETING OF THE GATT MINISTERS, PROBABLY IN 1985. THIS MEETING SHOULD TAKE PLACE ONCE RECOVERY IS WELL UNDERWAY AND THERE SHOULD BE SUFFICIENT TIME AVAILABLE TO PREPARE THE GROUNDWORK FOR NEW TRADE INITIATIVES.

- SUMMIT LEADERS SHOULD INDICATE THAT TRADE MINISTERS MUST MEET MORE FREQUENTLY TO DEVELOP COOPERATION TO ADDRESS THE CRITICAL TRADE ISSUES. THESE MEETINGS SHOULD BE FREQUENT ENOUGH TO MAINTAIN CONTINUITY AND PROGRESS, BUT NOT SO FREQUENT THAT THEY BECOME RITUALISTIC.

- WHEN GROWTH IS STRONG SUCH MEETINGS WILL HELP TO LAUNCH LIBERALISATION: WHEN THINGS ARE MORE TROUBLED THEY WILL SERVE AS A BRAKE AGAINST BACKSLIDING TOWARDS PROTECTIONISM.

ADVOCATE INITIATING A NORTH-SOUTH ROUND OF TRADE NEGOTIATIONS
SUMMIT LEADERS SHOULD INSTRUCT THEIR TRADE MINISTERS TO CONSULT WITH DEVELOPING COUNTRIES AND PREPARE A PROPOSAL BY THE END OF THE YEAR FOR A MUTUALLY ACCEPTABLE, BENEFICIAL ROUND OF TRADE NEGOTIATIONS THAT COULD COMMENCE AS EARLY AS 1984.

ADVANTAGES OF INITIATING SUCH NEGOTIATIONS INCLUDE:

1. THEY WOULD HELP TO ENSURE GROWTH AND HELP RESOLVE THE DEBT PROBLEM.
2. THEY WOULD REVERSE PUBLIC PRESSURE IN DEVELOPED COUNTRIES FOR PROTECTION AGAINST LDC IMPORTS THAT HAS BEEN GENERATED BECAUSE OF THE DIFFICULTY IN GAINING ACCESS TO LDC MARKETS.
3. THEY COULD LEAD TO SIGNIFICANT EASING OF ACCESS TO INDUSTRIAL COUNTRY MARKETS FOR LDC GOODS THAT WOULD SUPPLEMENT, NOT REPLACE GSP BENEFITS.
4. THEY WOULD BRING LDCS MORE FULLY INTO THE GATT SYSTEM AND PROVIDE A VIABLE ALTERNATIVE TO WORKING ON TRADE THROUGH UNCTAD.

FCO ADVANCE TO:

FCO - EVANS HANNAY CROWE GOWLLAND
CAB - PS/SIR R ARMSTRONG HANCOCK LAMBERT
DOI - WRIGHT
DOT - GRAY WILLIAMS MEADWAY HEALEY
MAFF - ANDREWS
TSY - LITTLER

BUTLER

ADVANCED AS REQUESTED

FRANK EXTERNAL

ADD. DISTN.

ECGD (E)

ECONOMIC SUMMIT