

SUBJECT

24.5.83

PRIME MINISTER'S

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PERSONAL MESSAGE

SERIAL No. T69/83

Dear Margaret,

I look forward to greeting you in a few days in Williamsburg.

The preparations for our meeting have been comprehensive and thorough. In the revised thematic paper, we have identified all of the serious issues we might address and on which we might decide to make public commitments. I do not anticipate that we will actually cover all these issues and certainly our discussion should not be limited to the preparatory materials. But I am sure you agree with me that in the preparatory work we have laid an excellent basis for our discussion at the Summit.

Let me offer some ideas as to how we might organize our discussion of the economic issues. We can review this agenda at our opening dinner on Saturday night and make any changes we wish. I am seeking only to stimulate your thinking before we arrive in Williamsburg.

At our heads only session on Sunday morning, I envision a general wide-ranging discussion of our respective approaches to the achievement of sustained non-inflationary domestic and world economic recovery. In this discussion, we might touch on many of the ideas contained in the first two sections of the thematic paper:

- Our domestic policies for non-inflationary, sustained growth;
- An assessment of our progress and persisting problems, both at home and abroad;
- An evaluation of convergence among our economies;
- The role of trade in achieving non-inflationary, sustained growth, especially in relations with developing countries;
- The role of finance in supporting trade and growth in the world economy;
- The coordination of trade, debt and finance issues and institutions to promote longer-term development; and
- An assessment of the underlying human and moral purpose of our economic efforts.

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In the afternoon, we can pick up more specific matters with our ministers. This discussion might include many of the items identified in the third and fourth sections of the thematic paper. The organization of the discussion into the short and long term elements of a Williamsburg program for economic recovery and growth seems to me to be quite appropriate. It corresponds to the integrated manner in which we are dealing with subjects at this Summit, and avoids the compartmentalization of the agenda, an objective we have sought since the outset of our preparations.

By the end of that first day's discussion, I hope that we will have identified most key elements of the message we will issue from Williamsburg. We can then discuss with our personal representatives the structure, tone and key themes of the Williamsburg message. I do not anticipate protracted negotiations of the joint statement if we issue full instructions to our personal representatives and ask them to confer periodically with us, perhaps at coffee later that evening, to clarify issues and to obtain our guidance. As we agreed at the beginning of our preparations, this statement should be a message that we personally design and develop to reflect our unique responsibilities as heads of government and state of the major industrial democracies.

I am excited by the prospect of our gathering. The economic situation is unquestionably improving. We want to build on this progress to meet continuing dangers in a spirit of realistic optimism. This spirit should recognize that the success of each of our countries is linked to the success of all our countries and indeed to the success of all countries of the free world. The only solution for ourselves and for the youth, who comprise the successor generations, is durable growth. We need to convey from Williamsburg a medium-term strategy that offers hope for such growth, and I hope that we can do so in part through the short annex to our joint statement on improving economic convergence.

In addition, building on the fine work done at the OECD Ministerial conference, I would favor a strong reaffirmation of our commitment to reverse protectionism and to continue to move, also in the medium-term, toward further liberalization of trade, especially with developing countries. This commitment provides the underlying rationale for seeking greater international monetary stability and financial soundness.

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Finally, all of our economic effort is related to the expression and preservation of our shared democratic values and our security. Among the security issues we will discuss, perhaps the most important for this year will be INF where I believe we are in broad agreement. I therefore hope that we will be able to express publicly our continuing shared commitment to deploy intermediate range nuclear forces this fall at the same time that we pursue unremittingly the quest for effective arms control agreements.

I await your arrival at Williamsburg with great eagerness.

Sincerely,

/s/

Ron

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10 DOWNING STREET

From the Private Secretary

SIR ROBERT ARMSTRONG

ECONOMIC SUMMIT: WILLIAMSBURG

I attach with this minute a copy of a message which the Prime Minister has just received from President Reagan.

The President suggests how discussion of economic issues at the Summit might be organised, indicates how he envisages the joint statement on economic questions being prepared, suggests a strong re-affirmation of the commitment to reverse protectionism and to move towards liberalisation of trade and confirms that he hopes for a public statement by the Summit on INF.

The message does not appear to require a reply.

I am copying this minute and enclosure to Mr. Fall (Foreign and Commonwealth Office), Mr. Kerr (H.M. Treasury) and Mr. Mottram (Ministry of Defence).

A. L. COLES

24 May 1983

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DVD



EMBASSY OF THE UNITED STATES OF AMERICA
LONDON

May 24, 1983

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RR $\frac{27}{5}$

Dear Prime Minister:

I have been asked to deliver the attached message to you from President Reagan, which was received at the Embassy early this morning.

Sincerely,

A handwritten signature in cursive script, appearing to read "John J. Louis, Jr.".

John J. Louis, Jr.
Ambassador

Enclosure

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The Rt. Hon. Margaret Thatcher, M.P.,
Prime Minister,
10 Downing Street,
London, S.W.1.