Foreign and Commonwealth Office

London SW1A 2AH

26 May 1983

Please type letter and put to P.M. for signature tonight. MR 26/5

Dear John,

Williamsburg: Letter from UN Secretary-General

On 20 May the Secretary-General of the United Nations, Sr Perez de Cuellar, asked our Mission in New York to convey a letter on Williamsburg to the Prime Minister. I enclose a copy of UKMIS New York telegram No. 404 which contains the text.

I enclose a draft reply, cleared with the Treasury, which if the Prime Minister agrees we will telegraph to our Mission in New York to hand over as soon as possible (with the original following by bag). As in other cases, it is easier to reply before Williamsburg than afterwards.

Yours ever

John Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

DRAFT MESSAGE FROM THE PRIME MINISTER TO UN SECRETARY-GENERAL

Thank you for your letter of 20 May about the issues which are likely to be raised at the Economic Summit in Williamsburg. There will be no formal agenda for the meeting; but we expect to devote an important part of our discussions to the severe problems faced by developing countries at the present time.

I agree with you that the outcome of the recent OECD Ministerial Council was encouraging. The Council was able to take into account the progress made earlier this year at the IMF Interim Committee in agreeing upon a substantial increase in the effective resources available to the IMF. I also share your view that the main aim for the industrialised nations over the coming months will be to achieve a return to sustainable non-inflationary growth. This will require us to maintain our policies of controlling inflation, resisting protectionist trends, and seeking to reduce interest rates and exchange rate volatility. A lasting recovery among the industrialised countries would in turn enable the developing countries to increase their export earnings and help them to deal with their debt repayment burdens and to invest in the future. We entirely accept that the developing countries will continue to face great difficulties in the period until the recovery is fully

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established. I have no doubt that ways and means of helping them will be discussed at Williamsburg.

You refer to UNCTAD VI in your letter. I agree that this will be an important conference. My government has made very careful preparations for the meeting covering the policy areas which you mention, and I hope that UNCTAD VI will be successful.

At Williamsburg we shall have very much in mind the factors which you outline in your letter and I am most grateful to you for letting me have your thoughts about them.