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10 DOWNING STREET

THE PRIME MINISTER

27 May 1983

Y
Yours Excellency,

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

/You refer

R/B

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.

Yours sincerely

Margaret Thatcher

His Excellency Senor Javier Perez de Cuellar



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From the Private Secretary

27 May 1983

WILLIAMSBURG: LETTER FROM THE
UN SECRETARY GENERAL

Would you please refer to John Holmes' letter of 26 May.

I enclose a letter to the Secretary General of the United Nations, signed by the Prime Minister. I should be grateful if you would arrange for the contents to be telegraphed to UKMIS New York today and for the signed version to be delivered as soon thereafter as possible.

A. J. COLES

The Resident Clerk,
Foreign and Commonwealth Office.