



NOTES TAKEN AT A PLENARY SESSION OF THE ECONOMIC SUMMIT  
CONFERENCE AT THE WILLIAMSBURG INN, WILLIAMSBURG, ON  
MONDAY 30 MAY 1983, AT 9.30 am

RR: Start with joint statement. [I will go off the air for a bit.]

Mitterrand: is defending his proposal for a high level international monetary conference. [It's in.]

[Continuing to get on peacefully, but slowly, with the drafting points.]

1055 [The declaration is approved.]

We resume at 1120.

RR: Discuss science and technology cancer and DNA.

Nakasone: We endorse contents of report of Versailles meeting and look forward to progress. Interested in attempts to overcome cancer. A worldwide scourge. Great improvements in research into cancer. Interferon? Need for international co-operation. A 10-year programme in Japan. Hope that all of you will co-operate. Not for inclusion in the declaration, but refer to experts to consider ways of promoting co-operation. Recombinant, DNA, euthanasia, abortion, cloning. Questionable whether decisions in these areas can be left to individual countries. Encourage experts to think deeply about gene reprogramming: perhaps need for international understanding, and co-operative efforts to avoid threat to human dignity.

RR: Has there ever been attempt to see that we were not duplicating cancer research? We may be closer than we think to a break-through on cancer.

AF: I understand that they have discovered a means of reproduction that does not involve the intervention of the male.

FM: That is the worst news all day.

RR: Eminently appropriate that Prime Minister of Japan should bring this to our attention: endorse. All speak to our own people about more international co-operation and avoidance of duplication of research. Euthanasia etc, a very difficult and delicate problem.



US constitution confers right to life, liberty and the pursuit of happiness. Not for us to take decisions at that early stage of life. [A little anecdote.]

Nakasone: We have other problems: test tube babies. Universities have their own ethical codes. Genetic engineering going ahead. Cloning; what about the appearance of 10 Nakasones? You can already do it with mice. Wise men should get together internationally and co-operatively to discuss and if possible agree upon ethical problems.

Stoltenberg: How to proceed? Universities do already co-operate very closely. Ask Ministers of Science in next 12 months to put together a report on where improvements could be made.

RR: I could go along with this.

Pym: There is already very full and helpful co-operation and exchange of information; do we need more?

RR: Let's all follow up in our own countries to make sure we are doing all we can in that regard. Switch to international debt problems.

Regan: Debt situations have been so far handled in an orderly fashion. More countries may need baling out. Finance Ministers oppose new institutional arrangements. Existing arrangements cope. The five-point strategy which Heads of State and Government have now endorsed. We agreed on more exchange of information among creditors, more monitoring.

PT: Should we introduce all these conditions? It is an enormous list. Some of them are appallingly difficult to fulfil. Very large figures required. Need for ratification of IMF quotas. We can "view with great concern" the possibilities and risks of default. Not only big debtors: dozens of small ones. I agree not new institutions. Arrangements have coped, with the great help of the US. We have done it, and can do it again; but at great risk.



Regan: Yes. Great problems could arise if a group of countries took precipitate action. Watch cash flow of IMF. The falling off of commercial banks, not only in US, is worrying. We should urge the banks to be more forthcoming, so that we don't need to replace commercial with sovereign money. Not enough.

GT: The situation is very serious. Size, structure and distribution of debt very worrying. Growing tendency of ldc to restrict imports, with bad effects on our trade. People have illusions about another Kenedy round. Not much more we can do, though we could benefit if lds reduced barriers. IBRD should support, as well as IMF. Role of private banks very important, but loans on modest conditions not sufficient at this time. We understand your position on IDA 7. But support you in your struggle for the future. We cannot envisage a reduction of aid at this time. Situation particularly serious in Africa. Catastrophe possible in next ten years. Need for more surveillance and control and contingency planning for worst cases.

Colombo: Debt problem has primary importance. But don't see and deal with problems in same way. There are differences. With big debtors only a case by case approach. On the other hand we have 4th world countries - the poorest. In Paris we agreed to subscribe. In between - 3rd world - a difficult judgement. They are insolvent, but we don't consider reasons for it. A case by case approach can't work. We need to discover a method. Not necessarily unconditional: they should be conditional. But don't abandon them, or leave them to case by case approach.

Howe: Endorses Regan's report. Inclined to continue to bless case by case approach. We may have surmounted a crisis, but we face a series of serious problems. We have developed an effective system fo co-operating (bow to Volcker and Regan). Importance of increase in IMF resources (bow to Delors). Situation may be more manageable than it looks. A number of issues in Interim Committee. Approach them wisely. Replenishment of IDA would be helpful, though we understand US difficulties. Much work being done to improve the case by case approach, and make it as effective as we can. But we must not establish an "international entitlement programme".



Delors: International community shaken by series of crises. We coped as firemen not as architects. A tribute to Volcker. Excessive pressure on commercial banks could lead them into irresponsibility and difficulties. Improvements can be made to firefighting. We need a firetower from which to see conflagrations coming. When you see it, that's too late. We need a fire control officer: one man who collects and collates information. The Paris Club procedure can help, but may not be adequate. Give more thought to the future. A difficult debate ahead at UNCTAD. Not just finance and trade; add:

1. more ODA needed
2. high levels of interest rates. Until 1980 real growth rate higher than real interest rates for ldc. That now reversed.
3. liquidity: was growing too much in 1981 but in 1982 it dropped. No wonder a high dollar rate.

Is IMF conditionality too tough and demanding in some cases?

Too rapid adjustment can lead to political disorder. Need to align IMG and IBRD.

Shultz: East-West trade. Refers to para in declaration. There's a lot to note with approval. Out of much discussion has emerged the view that we should look at EWER against security considerations. Work on IEA, COCOM, OECD progressive and valuable and a continuing process. Heart of the matter is COCOM on transfer of technology. Soviets have done very well, by purchase, theft, etc. COCOM being strengthened. Some scepticism about some of proposed extensions; hope people will listen to us. IEA study taken ahead and moving forward. We welcome statement in OECD Ministerial communique. Trade should follow market considerations: no special preferences for Soviet Union. Versailles call to OECD going forward: very constructive. NATO umbrella study going forward: a good basis for looking at this. We keep Japs fully informed. All in all a great deal of progress is being made, and it's not controversial among us.

McEachean: Take satisfaction from progress. The subject difficult. La Sapiniere gave an impetus to this work. Tribute to leadership of Shultz. Our understanding has been broadened, to point where we can deal with the matter in a constructive way. Carry on.



Nakasone: Endorse Schultz. EWER tied in with security of West: unity very important. Japan will continue to co-operate. Look forward to continuing consultation with NATO.

RR: Exchange of youth programme. Williamsburg will give message of confidence and hope. No quick fixes. But united in determination to secure economic growth.

Howe: Invites next Summit to UK, on behalf of Prime Minister.

Trudeau: Tribute to Reagan. We have had a Summit that was unstructured, informal, unprecooked. In that respect the Summit a great success; has led to better discussions among us. An unmitigated success. We can differ, but reconcile our differences. Hospitality superb. Preparations meticulous.

General applause.

Nakasone: echoes tribute.

RR: Thank you.

Mitterrand: Exchanges sometimes harsh, but always frank and open throughout. President Reagan has brought us together.

THE END.



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MR COLES  

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PA MUS 2/6

As you will know, I was the notetaker for the plenary sessions of the Economic Summit at Williamsburg. Thanks to the miracles of modern technology, I was able as the discussion went along to make notes which were instantly transmitted to our delegation office and there transcribed.

2. I doubt whether it is necessary for me to prepare a note for record beyond these notes, which may I hope serve as sufficient record of the proceedings.

--- 3. I attach copies of the notes herewith.

4. I am sending copies of this minute and of the notes to the Private Secretaries to the Chancellor of the Exchequer and the Foreign and Commonwealth Secretary.

RA

ROBERT ARMSTRONG

1 June 1983