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Foreign and Commonwealth Office

London SW1A 2AH


Prime Minister

Agree these

3 June 1983

two messages?

MUS 3/6

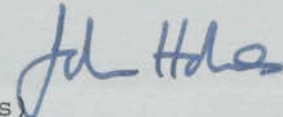
Yes 

Dear John,

Williamsburg: Messages to the Prime  
Minister

// The President of Colombia and the President of UNICE (Employers) each wrote to the Prime Minister before the Economic Summit at Williamsburg. I enclose draft replies to these messages together with copies of the messages themselves for ease of reference. The replies have been cleared with the Treasury. Mr Pym has not been able to see the drafts himself yet, but I will let you have any comments he may have immediately after the weekend.

I am copying this letter to John Kerr (Treasury).

Yours ever  


(J E Holmes)  
Private Secretary

A J Coles Esq  
10 Downing Street

DRAFT LETTER

From: Prime Minister

To: G Carli  
President  
UNICE (Employers)


THE WILLIAMSBURG ECONOMIC SUMMIT

Thank you for sending me a copy of your message to Summit participants. It arrived so soon before the Summit itself that I thought it would be more helpful to reply after the Williamsburg meeting.

2. You will by now have seen the text of the Williamsburg Declaration on Economic Recovery. I think you will find in it commitments and agreements which cover the action points set out in your message. As the Chancellor of the Exchequer said in his Press Conference after the formal meetings at Williamsburg had ended, the United Kingdom believes that growth can come and is coming from the renewed vitality and confidence of business and industry. This is particularly true of business in those countries like the United Kingdom which have had ~~some~~ considerable success in reducing inflation. In our concern to sustain the recovery, to promote convergence of economic performance and greater stability of exchange rates and to pursue balanced fiscal and monetary policies, the Summit has reached agreements which should prove of lasting value to business and industry. I think you will welcome the commitment to halt and reduce protectionism as the economic

recovery gathers strength. In this context we believe that the benefits of the recovery should be shared by developing countries through a strengthening of the open trade system and a general increase in the level of world trade. This process is also vital for the future of exporters in Europe.

3. I do not share the view that the structure of the international financial system is fragile. There is, of course, no room for complacency in view of the strains which international indebtedness have imposed over the recent past. Nevertheless I hope that the confidence, which the Summit participants were able to express in the emerging recovery, will be a source of encouragement and incentive to your members.



DRAFT LETTER

From: Prime Minister

To: His Excellency  
Belisario Betancur  
President of Colombia

THE WILLIAMSBURG ECONOMIC SUMMIT

Thank you for your message to the participants at the Williamsburg Economic Summit. It was useful to have your personal reflections which also reflected those of the Summit of Latin American and Caribbean economic experts. It arrived so soon before the Summit itself that it seemed more helpful to reply to you once the Summit had taken place.

2. I fully share your view of the interdependence of the world economy. The Williamsburg Summit was not of course intended to design a plan for global recovery. But it did consider and agree upon the overall framework within which the emerging recovery in the industrialised nations can be sustained and spread to other parts of the world. We believe that from the standpoint of the developing countries, and Latin America in particular, it is vital that the recovery in the developed nations should be sound and that its benefits should be shared widely through an increase in international trade and a strengthening of the open trading system. I am sure that you and your colleagues in the Latin American Economic System will agree with this.

3. To achieve this aim the Williamsburg Summit reached a series of important agreements and commitments which are relevant to the points of concern which you mention in your letter. The Summit considered the conditions for improving the international financial system including the part which might in due course be played by a high-level monetary conference. Your proposals will of course be a timely contribution to this task.

4. The Summit participants believe that the Williamsburg Declaration enunciated a coherent strategy which will bring the benefits of recovery to the world economy. Conditions of more stable exchange rates, lower inflation rates and public deficits should nurture the emerging recovery. On more detailed points the Summit recognised the importance of the role of new technology in achieving economic growth and also the need for continued action to reduce dependence on oil. It was not the purpose of the Summit to lay down specific policies in these areas but rather to agree on general policy directions.

5. I believe that the principal message from Williamsburg is one of new confidence in the prospects for recovery. The participants were very conscious of the need to spread the benefits of this recovery more widely to the developing

countries by strengthening the open trading system. I am grateful to you for sharing your thoughts with me and I am confident that the outcome of the Summit will be seen to have been positive and constructive.

A handwritten signature in blue ink, consisting of several stylized, overlapping loops and lines, positioned in the lower right quadrant of the page.



10 DOWNING STREET

*From the Private Secretary*

6 June, 1983.

Messages to the Prime Minister

Thank you for your letter of 3 June to which you attached draft replies to the President of Colombia and the President of UNICE.

The Prime Minister has approved these two messages, and I would be grateful if you could arrange for their despatch.

I am sending a copy of this letter to John Kerr (HM Treasury).

M. C. SCHOLAR

J.E. Holmes, Esq.,  
Foreign and Commonwealth Office.