ECON POL: Williamsburg Summet; 10 DOWNING STREET

THE PRIME MINISTER

27 June 1983

US Declassified PRIME MINISTER'S

PERSONAL MESSAGE SERIAL No. T 95/83.

Thank you so much for your message of 17 June about the results of the Williamsburg Economic Summit.

I entirely agree that the Williamsburg Summit was above all a successful demonstration of the unity and purpose of the major Western economies. Like you, I believe that the statement on INF was clear proof of the determination of our governments to resist Soviet attempts to drive a wedge between us. I also share your view that the confidence in the rightness of our economic policies and in the prospects for recovery which the Summit showed was both timely and very encouraging.

I assure you that we shall play our full part in translating the commitments made at Williamsburg into practical action. I was interested to see from your message that you have been meeting with the bipartisan leadership of Congress to seek early progress on anti-protectionist measures, the IMF quota increases and further limits on public expenditure. We shall take all the necessary action in the new Parliament to fulfil our part of the commitments which we made.

May I say once again how much I enjoyed the Summit at Williamsburg, which we all considered was a great success thanks largely to your leadership. Meanwhile, we are now beginning work on the preparations for the 1984 Summit and will be in touch on this through our Personal Representatives.

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George Bush resterding - we had a

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The President of the United States of America.

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10 DOWNING STREET

From the Private Secretary

27 June 1983

WILLIAMSBURG SUMMIT

Your letter of 23 June suggested that the Prime Minister should send a reply to President Reagan's message of 17 June. I enclose a reply signed by the Prime Minister and should be grateful if you would arrange for its delivery.

A. J. COLES

R.B. Bone, Esq., Foreign and Commonwealth Office.

CONFIDENTIAL Foreign and Commonwealth Office London SW1A 2AH 4 3 875 23 June 1983 Type letter. Dea Tim, Message to the Prime Minister from President Reagan Thank you for your letter of 17 June. We recommend that the Prime Minister should reply to President Reagan's message of 17 June. The Prime Minister has already sent a message of thanks to President Reagan for the successful arrangements for the Williamsburg Economic Summit. Nevertheless it would seem right to reply to a personal message which is couched in such warm terms and which touches upon points of substance. I enclose a draft. I am copying this letter to the recipients of yours. Your ever fol Homes (J E Holmes) Private Secretary Tim Flesher Esq 10 Downing Street CONFIDENTIAL

CONFIDENTIAL MESSAGE DSR 11 (Revised) TYPE: Draft/Final 1+ DRAFT: minute statten/teleletten/dexpatch/snytex Reference FROM: PRIME MINISTER TEL. NO: DEPARTMENT: Your Reference SECURITY CLASSIFICATION TO: PRESIDENT OF THE UNITED STATES OF AMERICA Top Secret Secret-Copies to: Confidential Restricted Unclassified PRIVACY MARKING SUBJECT: Thank you so much for your message of 17 June aboutIn Confidence the results of the Williamsburg Economic Summit. CAVEAT..... til gree I share your judgement that the Williamsburg Summit was above all a spccessful demonstration of the unity and purpose of the major Western economies. Like you, I believe that the statement on INF was signal proof of the determination of our governments to resist Soviet attempts to drive a wedge between us. I also share your view that the confidence in the rightness of our economic policies and in the prospects for recovery which the Summit showed was both timely and very encouraging. we chall want to assure you that my government will play its full part in translating the commitments made at Williamsburg into practical action. I was interested to see from your message that you have been meeting with Enclosures—flag(s)..... the bipartisan leadership of Congress to seek early progress on anti-protectionist measures, the IMF quota increases and further limits on public expenditure.

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shall take all the necessary action in the new Parliament to fulfil our part of the commitments which we made.

May I say once again how much I enjoyed the
Summit at Williamsburg, which we all considered was a
great success thanks largely to your leadership. I lookforward to seeing George Bush later this week.

Meanwhile, we are now beginning work on the preparations
for the 1984 Summit and will be in touch on this
through our Personal Representatives.

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10 DOWNING STREET

From the Private Secretary

17 June 1983

The Prime Minister has received the attached message from President Reagan. I should be grateful for your advice on whether a reply is needed and if so for a draft as soon as possible.

I am sending a copy of this and the enclosure to John Kerr (HM Treasury) and Richard Hatfield (Cabinet Office).

TIM FLESHER

John Holmes, Esq., Foreign and Commonwealth Office.

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Aux olb EMBASSY OF THE UNITED STATES OF AMERICA LONDON June 17, 1983 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. John J. Louis, Jr. Ambassador Enclosure CONFIDENTIAL The Rt. Hon. Margaret Thatcher, M.P., Prime Minister, 10 Downing Street, London, S.W. 1.

SUBJECT : 10 OPS MASTER

THE WHITE HOUSE

WASHINGTON

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T90/83

June 15, 1983

US Declassified

Dear Margaret:

Before our experience at Williamsburg is engulfed by the day-to-day problems that awaited us on return to our respective capitals, I want to thank you for the excellent spirit of cooperation which prevailed at the Summit meetings.

I particularly appreciated your taking time out from your busy campaign schedule to come to Williamsburg. Your firm support and leadership were vital in translating the broad areas of agreement which we found in our private discussions into a strong message of unity among the world's largest industrialized democracies. That message, both in its economic and political dimensions, was crucial at this time of questioning in our own countries and of challenge from the Soviet Union and its allies. Thanks to your contribution during Saturday's dinner discussion of INF, we were able, in our statement, to send the Soviets a clear signal of allied determination and unity.

The "Williamsburg Declaration on Economy Recovery" was a victory for the future. Your government's economic policies have proved the wisdom of the key principles laid out in the declaration: non-inflationary growth, open markets, adequate liquidity and economic stability. I am certain that under your continued leadership, Britain will experience sustained economic growth. I sincerely believe the words I used to conclude the press

statement: "Our meeting has shown a spirit of confidence, optimism and certainty -- confidence that recovery is underway, optimism that it will be durable, and certainty that economic policy and security ties among us will be strengthened in the future."

You have my solemn assurance, so far as the United States is concerned, that I shall now do everything in my power to translate the commitments we made together at Williamsburg into tangible legislative action. With that end in mind, I met with the bipartisan leadership of the Congress on June 8 and urged early progress on anti-protectionist measures, increasing our IMF quotas, and further limits on the growth of federal expenditures as a means to reduce budgetary deficits.

I know that Vice President Bush is looking forward to meeting with you in London and continuing our productive dialogue. We greatly value your advice and counsel. The Vice President also wishes to extend personally our warmest congratulations on your splendid victory. As I said on the telephone, I am overjoyed. Your landslide win certainly gives a positive shot in the arm to the Western Alliance.

Margaret, I greatly appreciate your kind remarks about my handling of the Summit's chair. I know that hosting the next meeting will be a burden for you, but I am reassured that this important role will be in such capable hands. I hope that in these Summit gatherings we can continue to strive for small and informal settings.

Sincerely,

Ron

The Right Honorable
Margaret Thatcher, M.P.
Prime Minister
London