

CONFIDENTIAL

Mr Richardson

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Date: 30 December 1987		6/1

*M. Grewer
(Monday)*

From: T L Richardson

Date: 30 December 1987

Mr Maud
PS *As of 4 pm*

cc: Mr Braithwaite, o/r
 Mr Cooper, FED
 Miss Spencer, ECD(E)
 Mr Broadbent, Economic
 Advisers
 Mr Sheinwald, Planners
 PS/Sir Robert Armstrong

81

*Thursday, no go
 back from Private Done
 office. Pl check on
 Monday whether Mr
 was egd, call to do
 a telephone in Tokyo*

JAPANESE PROPOSAL FOR TRADE MINISTERS' MEETING
 AT THE ECONOMIC SUMMIT

- A 1. The Embassy in Tokyo has reported an idea being promoted by the Japanese Minister of International Trade and Industry, Mr Tamura, that Trade Ministers should also attend the Toronto Economic Summit, or meet concurrently. This is not yet a formal proposal, although the Japanese Embassy here have asked the DTI for their views (which they reserved, while expressing doubts about the idea). However, Tamura may well raise it when he sees the Secretary of State in Japan next month.
2. This is not a new idea. As Mr Bayne's standard book on Summits shows, MITI has long campaigned for greater involvement in them. There is no evidence that Tamura has yet won support for his personal proposal either within Japan (where the MFA remains strongly opposed) or among the rest of G7.
3. We know that the Prime Minister attaches importance to keeping Summits small and informal. She would be likely to oppose any expanded participation. I have asked Sir R Armstrong's office (he is not in today) for a second opinion. But I am sure he will take the same view of the Prime Minister's attitude.
4. If Tamura lobbies the Secretary of State, I therefore recommend that, while reserving our final position until such time as a formal Japanese proposal emerges, we firmly discourage the idea of increasing the number of Summit participants. The Secretary of State could point out that there are plenty of opportunities for Trade Ministers to meet, including at the OECD Ministerial the month before Toronto.

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5. DTI officials concur with this advice; but Lord Young (who will be seeing Tamura in London on 18 January) has not yet been consulted.

T L Richardson
Economic Relations Department
WH 413 270 2670

I agree with the line recommended in paragraph 4. But I think it would be sensible for Tamura's Office to be warned that if he does decide to lobby the Secretary of State in Tokyo (and the Prime Minister later in London) he can expect a firm rebuff. If the Secretary of State agrees, appropriate instructions will be sent to the Embassy.

30 December 1987

H J H Maud

c.c.

Mr Braithwaite o.r.
Mr Cooper FED
Miss Spencer ECD(E)
Mr Broadbent
Economic Advisers
Mr Sheinwald Planners
PS/Sir Robert Armstrong

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NBlAHT

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Mr. Richardson - H.

*Mr. Brewer 25/1
D.R.*

Mr. Kelly 16

MFE 091/2	
RECEIVED IN REGISTRY NO. 47	
28 JAN 1988	
DESK OFFICER	REGISTRY
INDEX	PA
	MD 28/1

From: Miss Spencer
 Date: 18 January 1988
 cc: Mr Braithwaite
 Mr Kerr
 ERD
 FED

*Para 4
 reflects
 the views I
 gave to Mr
 Linton*

2/1

PS

**CALL ON SECRETARY OF STATE BY MR TAMURA: PROPOSED MEETING OF G7
 TRADE MINISTERS**

1. During Tamura's call on Lord Young this morning, he raised again the question of a meeting of Trade Ministers not necessarily in conjunction with the Summit of the Seven. It is possible that Tamura may raise the question during the call on the Secretary of State tomorrow. If so, I recommend the following line to take, which has been agreed with ERD:

- We should need to consider carefully the Japanese proposal for a Trade Ministers' meeting. An interesting idea.

- (If Tamura links the meeting to the Summit) Our views on widening participation at the Summit itself are well known. We are not in favour.

BACKGROUND

2. In the past the Japanese have tried to link the idea of a Trade Ministers meeting with the Summit, but have been given the clear message that we (and others) are not in favour of widening attendance at the Summit to include Trade Ministers. They have

also floated, as a variant, a preliminary meeting of Trade Ministers of the Seven, who would report to the Summit.

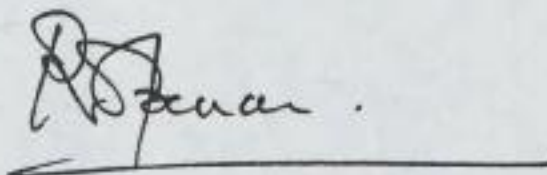
3. Tamura put his proposal to Lord Young today in a slightly different form. He described it as a meeting of Ministers to discuss trade issues. He was not concerned as to whether the meeting was part of the Summit of the Seven (nor, apparently about any relationship to the Summit); but wanted a forum smaller than the OECD Ministerial but larger than the Quadrilateral (US, Canada, Japan, Commission); the G7 plus the Commission seemed about right. He claimed some support from Noir, Bangemann and Ms Carney. Lord Young commented that the proposal was interesting and would need careful consideration.

4. Two further points arise. Although the Japanese are thinking only in terms of 1987, and in terms of a meeting separate from the Summit, there is no guarantee that they would not bid for future meetings to be more directly linked to the Summit. Secondly, because this would be a meeting of Trade Ministers, Community competence is clear: and at an informal meeting of the 113 Committee (full members) last week, the Commission, the Netherlands and Denmark all expressed reservations about the possibility of a meeting of G7 Trade Ministers at Japanese instigation, even if the Commission was included.

5. The Secretary of State may also wish to be aware that Tamura saw the Chancellor today. We understand that Tamura gave a presentation on the Japanese economy (emphasising its strength) and his Government's budgeting proposals, saying that structural reforms were in hand. The Chancellor suggested that in view of

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the strength of the Japanese economy, structural reforms could be implemented more rapidly. He raised with Tamura UK firms' bids for membership of the Tokyo Stock Exchange, and liquor taxes.

A handwritten signature in cursive script, appearing to read "R. Spencer", is written above a solid horizontal line.

Rosemary Spencer