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CONFIDENTIAL *7. IPT.*

167373  
MDHIAN 2275

*NCU.*

CONFIDENTIAL  
FM TOKYO  
TO IMMEDIATE FCO  
TELNO 306  
OF 161230Z MAR 88  
AND TO IMMEDIATE UKMIS GENEVA,  
AND TO PRIORITY UKREP BRUSSELS  
AND TO ROUTINE ROME, PARIS, BONN, WASHINGTON

MIPT: JAPANESE PROPOSAL FOR A MEETING OF TRADE MINISTERS.

1. FOLLOWING IS TEXT:

TRADE ISSUES INCLUDING THE REDRESS OF IMBALANCES ARE OF INCREASING IMPORTANCE ON THE CURRENT INTERNATIONAL ECONOMIC MANAGEMENT. WE THINK THE TIME HAS NOW COME FOR THE TRADE MINISTERS OF THE MAJOR NATIONS, BEARING THE RESPONSIBILITY FOR INTERNATIONAL ECONOMIC MANAGEMENT, TO MEET AND CANDIDLY EXCHANGE THEIR OWN POINT OF VIEW ABOUT WORLD TRADE-RELATED ISSUES. IT IS IN THIS VEIN THAT WE HAVE PROPOSED THE TRADE MINISTERS MEETING OF THE MAJOR COUNTRIES. WE HAVE CONSULTED ALL THE TRADE MINISTERS CONCERNED AND SOME GOVERNMENT OFFICIALS ABOUT THE PROPOSED MEETING.

WE FEEL THAT THE FOLLOWING SUMMARY EXPRESSES THE OVERALL FEELING OF THE MEMBERS:

1. EACH MEMBER HAS STATED HIS UNDERSTANDING THAT THERE IS A NECESSITY TO HOLD SUCH A MEETING.
2. HOWEVER WE HAVE TO RECOGNISE THAT THE PROPOSED MEETING SHOULD NOT HAVE A LINK WITH THE ECONOMIC SUMMIT AND THAT THE MEETING SHOULD NOT GIVE ANY WRONG IMPRESSION OF A POSSIBLE CONNECTION WITH THE SUMMIT.

TAKING INTO CONSIDERATION THESE POINTS, WE HOPE THAT, WITHOUT WORKING OUT DETAILS SUCH AS THE TIME AND THE SHAPE OF THE MEETING WE CAN AT CONSTANCE COME TO THE FOLLOWING COMMON UNDERSTANDING AMONG THE TRADE MINISTERS ABOUT HOLDING THE TRADE MINISTERS MEETING. ON THIS OCCASSION, WE WANT TO FOSTER AN ATMOSPHERE WHERE IMPROMPTU DISCUSSIONS WILL TAKE PLACE:

1. THE MEETING WILL BE CONVENED WHEN APPROPRIATE AND WILL NOT BE DONE IN A FORMAL FASHION.
2. THE MEETING WILL NOT HAVE AN INSTITUTIONAL LINK WITH THE ECONOMIC SUMMIT.
3. AT THE MEETING, THE MINISTERS SHOULD BE ABLE TO CANDIDLY EXCHANGE THEIR VIEWS ON TRADE-RELATED INTERNATIONAL ECONOMIC

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ISSUES. THE MEETING SHOULD PARTICULARLY INCLUDE DISCUSSIONS  
ON POSSIBLE SOLUTIONS OF THE TRADE IMBALANCES, THE MOUNTING  
PROTECTIONISM IN EACH COUNTRY, ETC.

ENDS

ADVANCE AS MIPT.

WHITEHEAD

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MR MCLAREN

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FM TOKYO  
TO IMMEDIATE FCO  
TELNO 305  
OF 161225Z MAR 88  
AND TO IMMEDIATE UKMIS GENEVA  
AND TO PRIORITY UKREP BRUSSELS  
AND TO ROUTINE ROME, PARIS, BONN, WASHINGTON

*pls copy to AS/  
10 Downing St.  
16/3*

MY TELNO 291: JAPANESE PROPOSAL FOR A MEETING OF TRADE MINISTERS

1. AT DINNER ON 15 MARCH KURODA (MITI) GAVE LORD YOUNG IN CONFIDENCE  
THE TEXT OF A CIRCULAR COMMUNICATION (TEXT IN MIFT) TO BE  
DISTRIBUTED TO TRADE MINISTERS AT KONSTANZ.

*178*

2. LORD YOUNG MADE NO RESPONSE BEYOND REPEATING THE POINTS IN  
PARAGRAPH 2 OF MY TUR.

3. SEE MIFT.

ADVANCE:

FCO: MISS SPENCER, FITTON

DTI: ROBERTS, HUTTON, LOVE, JOHNSON, HALL OT2

WHITEHEAD

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MR MCLAREN

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cc Mr N. Wicks, No 10  
Sir G. Lither Hunt

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*Pat Lowell*

165030  
MDADAN 8535

*To FCO will  
send a telegram to Tokyo  
saying that one informal  
copy meeting is enough,  
only thereafter, and  
they are sure the PM would  
oppose any move to make*

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FM TOKYO  
TO IMMEDIATE FCO  
TELNO 264  
OF 080035Z MAR 88  
INFO IMMEDIATE UKREP BRUSSELS, WASHINGTON, BANN

YOUR TELNO 204 AND WASHINGTON TELNO 579: REVISED JAPANESE PROPOSALS  
FOR A MEETING OF TRADE MINISTERS  
*Meeting of Trade Ministers part of  
associated with Summit!*

1. WE NOTE THE LINE TAKEN BY ROBERTS WITH KITAMURA. YOU SHOULD  
BE AWARE HOWEVER THAT MITI'S BRIEFING OF THE JAPANESE PRESS  
CONTINUES TO GIVE THE IMPRESSION THAT MOMENTUM IS BUILDING  
TOWARDS ACCEPTANCE OF TAMURA'S IDEAS FOR REGULARISED MEETINGS OF  
TRADE MINISTERS OF THE EIGHT. AN ARTICLE IN THE SANKEI OF 26  
FEBRUARY, FOR EXAMPLE, SAID THAT THE MEETING WHICH NOW LOOKED  
LIKELY TO MATERIALISE AT KONSTANZ COULD BE AN IMPORTANT  
PREPARATORY MEETING FOR THE TORONTO SUMMIT. NOTING THAT THE NUMBERS  
OF PARTICIPANTS EITHER IN THE QUADRILATERAL OR OECD MINISTERIAL  
FORUMS WAS NOT IDEAL FOR AN IN-DEPTH DISCUSSION OF TRADE AND RELATED  
ISSUES, IT QUOTES MITI OFFICIALS AS SAYING THAT THE ESTABLISHMENT  
OF A REGULAR MEETING OF TRADE MINISTERS OF THE MAJOR DEVELOPED  
NATIONS WAS IMPORTANT.

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2. THERE SEEMS TO BELITTLE DOUBT THAT, IF A MEETING TAKES PLACE,  
ALBEIT IN THE MARGINS OF ANOTHER MEETING, JAPANESE WILL TRY TO  
PORTRAY THIS AS CONTRIBUTING IN SOME WAY TO DISCUSSION AT THE  
SUMMIT. AS SEEN FROM HERE, A RATHER FIRMER MESSAGE IS NEEDED TO  
MAKE THE PENNY DROP, IF WE WISH TO STOP TAMURA'S CAMPAIGN. WE  
SUGGEST THAT YOU MAY WISH TO CONSIDER INSTRUCTING US TO SPEAK  
TO MITI IN ADVANCE OF LORD YOUNG'S VISIT, RECALLING THE LINE TAKEN  
WITH KITAMURA, AND SAYING THAT IN VIEW OF THIS, IT MIGHT BE BETTER  
FOR TAMURA NOT TO PURSUE HIS IDEAS WITH LORD YOUNG. ALTERNATIVELY,  
LORD YOUNG SHOULD BE BRIEFED TO SPEAK FAIRLY STRAIGHT-FORWARDLY TO  
TAMURA, IN THE KNOWLEDGE THAT TAMURA IS LIKELY TO PUT THE MOST  
POSITIVE POSSIBLE GLOSS ON HIS REMARKS.

WHITEHEAD

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ADVANCE

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PS *Mrs CHALLEN*  
MR BRAITHWAITE  
MR KERR  
RESIDENT CLERK  
HD/ECD(E)  
HD/NEWS  
HD/ERD  
MISS N BREWER ERD  
MR R LAVELLE CAB OFFICE  
MR J H HOLROYD CAB OFFICE

MR C R BUDD CAB OFFICE  
MR J HM ALTY CAB OFFICE  
MR M. MERCER, H M TREASURY  
MR C W ROBERTS DTI VIC ST  
MR A C HUTTON ITP DTI VIC ST  
MR HOSKER OT2/1 DTI VIC ST  
MR D. JONES DTI VIC ST  
MR HAGESTADT DTI VIC ST  
MR HALL DETI VIC ST  
PERMANENT SECRETARY M A F F  
MR P FREEMAN O D A

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pa (Invaders file)

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160410  
MDLIAN 5186

CONFIDENTIAL  
FM WASHINGTON  
TO PRIORITY FCO  
TELNO 579

OF 042010Z MARCH 88  
INFO PRIORITY TOKYO, UKREP BRUSSELS, PARIS, ROME, BONN,  
INFO PRIORITY OTTAWA, UKDEL OECD, UKMIS GENEVA

(FRAME EXTERNAL)

YOUR TELNO 204 TO TOKYO: REVISED JAPANESE PROPOSALS FOR A  
MEETING OF TRADE MINISTERS  
SUMMARY

1. USTR AGAINST A MEETING AT CONSTANZ BUT PREPARED TO ACCEPT  
SHORT MEETING IN MARGINS OF OECD MINISTERIAL.

DETAIL

2. WE MENTIONED THE EXCHANGE THE JAPANESE EMBASSY DESCRIBED  
IN YOUR TUR TO USTR IN THE COURSE OF CONVERSATION ABOUT  
ANOTHER MATTER.

3. THEY SAID THEY HAD HAD A SIMILAR APPROACH FROM THE JAPANESE  
HERE. ON YEUTTER'S INSTRUCTIONS, THE JAPANESE HAD BEEN TOLD  
THAT THE US WERE OPPOSED TO AN INFORMAL GATHERING IN THE MARGINS  
OF THE CONSTANZ MEETING, BUT WOULD BE WILLING TO TAKE PART IN A  
SHORT INFORMAL MEETING, LASTING NO MORE THAN TWO HOURS, IN THE  
MARGINS OF THE OECD MINISTERIAL IN MAY. YEUTTER WAS AGAINST AN  
INFORMAL GATHERING AT CONSTANZ PARTLY BECAUSE HIS SCHEDULE WAS  
VERY TIGHT BUT MAINLY BECAUSE THE JAPANESE HAD PRESENTED THAT  
MEETING AS A PREPARATORY SESSION FOR THE MEETING IN PARIS IN MAY.  
YEUTTER WAS PREPARED TO CONCEDE ONE MEETING BUT NO MORE AND  
THOUGHT THAT IF HE AGREED TO A MEETING IN MARCH IT WOULD BE MORE  
DIFFICULT TO RESIST ONE IN MAY. YEUTTER WAS OPPOSED TO ANY  
CONTINUING SERIES OF MEETINGS AND REMAINED OPPOSED TO A MEETING  
IN THE MARGINS OF THE SUMMIT ITSELF.

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MDLIAN 5186

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ADDITIONAL 1

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1 Mr. Lyttle  
2 pa (Invaders at the Summit)  
L84/5

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155612  
MDLOAN 4481

CONFIDENTIAL (AMENDED DISTRIBUTION - 4/3)

FM FCO  
TO PRIORITY TOKYO  
TELNO 204  
OF 031800Z MARCH 88  
INFO PRIORITY UKREP BRUSSELS, PARIS, ROME, BONN, WASHINGTON  
INFO PRIORITY OTTAWA, UKDEL OECD, UKMIS GENEVA

REVISED JAPANESE PROPOSALS FOR A MEETING OF TRADE MINISTERS

SUMMARY

1. OUR RESPONSE TO THE LATEST JAPANESE PROPOSALS, ON WHICH YOU AND OTHER POSTS SHOULD DRAW IF ASKED BUT NEED NOT TAKE THE INITIATIVE.

DETAIL

2. LAST WEEK THE JAPANESE EMBASSY HERE PUT TO ROBERTS (DTI) REVISED PROPOSALS FROM THE MITI MINISTER (TAMURA) AS FOLLOWS:-

(I) THERE SHOULD BE AN INFORMAL GATHERING OF TRADE MINISTERS FROM THE G7 COUNTRIES AND THE COMMISSION IN THE MARGINS OF THE WIDER MEETING OF TRADE MINISTERS TO BE HELD AT KONSTANZ FROM 18-20 MARCH.

(II) THERE SHOULD BE A SIMILAR GATHERING IN PARIS AT THE TIME OF THE OECD MINISTERIAL IN MID-MAY.

3. OUR RESPONSE TO THESE NEW PROPOSALS REFLECTS BOTH A DESIRE TO LET TAMURA DOWN LIGHTLY ON A MATTER TO WHICH HE APPEARS TO ATTACH IMPORTANCE AND OUR FIRM POLICY NOT TO EXTEND THE MACHINERY OF THE ECONOMIC SUMMIT. AFTER CONSULTATION WITH NO TO AND WITH DTI MINISTERS, ROBERTS TOLD THE JAPANESE EMBASSY (KITAMURA) ON 2 MARCH THAT HMG WOULD BE HAPPY TO PARTICIPATE IN ANY INFORMAL GATHERING OF TRADE MINISTERS FROM G7 COUNTRIES AND THE COMMISSION WHICH MIGHT BE ARRANGED IN THE MARGINS OF THE KONSTANZ CONFERENCE. MR CLARK WOULD BE IN KONSTANZ. BUT HMG SAW SOME DIFFICULTY ABOUT THE PROPOSAL FOR A SIMILAR GATHERING IN THE MARGINS OF THE OECD MINISTERIAL, SINCE THIS WOULD RISK BEING SEEN AS AN EXTENSION OF THE MACHINERY OF THE ECONOMIC SUMMIT. WHEN KITAMURA ARGUED THAT THE JAPANESE HAD NO WISH TO CREATE AN INSTITUTIONAL LINK WITH THE SUMMIT, ROBERTS REPLIED THAT THE CHOICE OF THESE EIGHT PARTICIPANTS WOULD BE SEEN IMMEDIATELY AS REFLECTING THE SUMMIT ORGANISATION.

4. KITAMURA UNDERTOOK TO REPORT. HE GAVE ROBERTS A PAPER SETTING OUT A FRAMEWORK FOR THE TRADE MINISTERS' MEETING, WHICH



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INCLUDES TRADE IMBALANCES, PRESSURES FOR PROTECTION AND THEIR CAUSES, AND THE SCOPE FOR STRUCTURAL ADJUSTMENTS. IT ENVISAGES AN INFORMAL EXCHANGE AT KONSTANZ, FOLLOWED BY AT LEAST ONE FURTHER MEETING LASTING A DAY, AND PROBABLY A SERIES OF SUCH MEETINGS. ROBERTS REMINDED KITAMURA THAT WE HAD AGREED TO NOTHING MORE THAN AN INFORMAL EXCHANGE AT KONSTANZ. WE REMAINED RELUCTANT (A VIEW NO DOUBT SHARED BY SOME OTHER SUMMIT COUNTRIES) TO INSTITUTIONALISE THESE GATHERINGS.

5. THE JAPANESE PROPOSAL WAS DISCUSSED BRIEFLY AT THE SHERPAS' MEETING IN CANADA LAST WEEKEND. WITH THE COMMISSION SHERPA (LAMY) DISSENTING, THERE WAS GENERAL AGREEMENT THAT THE KONSTANZ ARRANGEMENTS WERE A MATTER FOR THE GERMAN HOST (DR BANGEMANN, THE FEDERAL ECONOMICS MINISTER) AND NOTHING TO DO WITH THE SUMMIT ITSELF. THERE WAS, HOWEVER, SOME RELUCTANCE TO HOLD MORE THAN ONE SUCH MEETING.

6. THE DTI WILL BRIEF LORD YOUNG ACCORDINGLY FOR HIS DISCUSSIONS WITH TAMURA IN TOKYO IN MID-MARCH.

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