

PRIME MINISTER'S

ECON POL; ECON SUMMIT  
WILLIAMSBURG

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PT II

PERSONAL MESSAGE

January 28, 1983

SERIAL No. T 8/83

Dear Prime Minister:

As we approach our meeting at Williamsburg, I will from time to time consult with you on the preparations and the topics we will want to discuss. I attach great value to these personal communications. They are an essential element of our efforts to plan a Summit that reflects the thoughts, hopes and proposals of the leaders of the great democracies. In this spirit, I appreciated your careful and thoughtful responses to my last letter.

On the basis of a broad consensus among us, reflected in the several replies, I instructed my personal representative, Allen Wallis, to press ahead in preparing an informal, less structured Summit Meeting. Allen informs me that the meeting of personal representatives on December 11-13 made an excellent start in this direction, agreeing on smaller sessions, on doing away with a formal communique, and on the need for common guidelines for dealing with the press.

My previous letter to you concerned the format of the Summit. This one concerns the economic content. Political subjects I will address, as we have done in the past, only as the Summit draws nearer and these subjects become more evident.

The economic topics on our agenda at Williamsburg and their preparation are, of course, the essence of our Summit Meeting. I have felt in the past that these topics were over-compartmentalized, perhaps reflecting the concerns of some of our officials rather than the more inter-related concerns which most interest us. I would like to suggest a different approach to the preparation of the Williamsburg agenda.

Our personal representatives at the December meeting agreed that the Williamsburg economic agenda should highlight two broad topics:

- An integrated consideration of domestic and international aspects of sustained free world economic recovery, including -- (a) economic policy elements, such as fiscal and monetary policy, trade, technology, exchange market policy, world finance, and development assistance policy, and (b) institutional elements, such as the role, effectiveness and relationship of GATT, IMF, OECD, UNCTAD, BIS, the multilateral development banks, commercial banks, etc.

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- A review of economic relations with the Soviet Union and Eastern Europe, including the policy consequences and recommendations of the several studies now underway on this subject in various alliance and economic institutions.

Our personal representatives will meet again in mid-March, close enough to the Summit Meeting that our views on these two broad topics will have matured. Let me suggest that before they meet, we each take some time to go over personally with them the basic approach we take toward these topics. This would include how we see our policies affecting the issues, how we see the policies of other countries (developed and developing) affecting the issues, and what recommendations we would make to improve the effectiveness and interrelationship of our respective efforts.

For example, on the first topics, we might ask ourselves:

1. What are we each doing domestically to achieve our common goal of sustained, non-inflationary growth? Are we progressing toward our goals? What more do we seek to do?
2. What are the implications of our policies for other countries, particularly developing countries?
3. What actions which other countries might take are compatible or incompatible with our individual efforts?
4. What are the current obstacles to a better inter-relationship among our domestic policies, international trade relationships and world financial requirements?
5. What is the proper role of the various international institutions in dealing with the inter-related problems of domestic policy, expanding trade and an open financial system?

Similarly, on the second topic we might wish to consider:

1. What is the strategic and economic importance of East-West trade for each of our countries and economies?
2. What are our respective national policies and institutions that affect this trade?
3. How do we perceive our common interests in this area and the goals served by these interests?

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4. Are we progressing toward our goals? What more do we need to do? What conclusions of the East-West studies should be adopted for common action?

I offer these questions to stimulate your thinking and to begin to organize the way in which we will approach our discussion of these topics in May. In March, our personal representatives could have an informal discussion of these questions, based on the views each of us has entrusted to them to present on our behalf. This discussion will hopefully lead to refinements of the topics and perspectives. Before subsequent preparatory meetings, the personal representatives would then come back to us to receive further views and instructions. This process will ensure that from the beginning the preparations reflect our personal views and interest.

I look forward, therefore, to continuing consultations with you in the preparations for Williamsburg. I am determined that when we meet at Williamsburg, we will spend the hours together in a way we have shaped and which we will value most.

Sincerely,

/S/

Ronald Reagan