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Summit
Subject



PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 84C/83

10 DOWNING STREET

THE PRIME MINISTER

13 June, 1983

Y
Lou Limellay

Thank you for your message about the world economic situation. It was useful to have your thoughts just before I left London for the Economic Summit at Williamsburg.

You will have seen the text of the Williamsburg Declaration on Economic Recovery. I hope you found it encouraging. There was agreement in the discussions that a good deal of success had been achieved in reducing inflation and interest rates. There was also agreement on the importance of promoting convergence of performance in the economies of Summit countries and greater stability of exchange rates. We concluded that the present pace of recovery is indeed sustainable, but that any artificial stimulative action should be avoided. It was essential to avoid re-kindling inflation. A resurgence of inflation would put at risk the gains made so far and would have a crippling effect on the developing countries as well.

I believe that the commitment in the Williamsburg Declaration to halt and, as the recovery proceeds, to reverse protectionism is very important. We aim to sustain recovery, and to spread its benefits beyond the Summit countries, by strengthening the open trading system. You will have noticed the invitation to Finance Ministers to define the conditions for improving the international monetary system and to consider the part which might, in due course, be played in this process by a high-level international monetary conference. I am sure it is right to seek ways of improving the operations of the international financial system. But I do not

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share the view that its structure is fundamentally unsound. I believe we have already made considerable progress in adapting the institutions to meet the new demands which have been placed upon them.

You described the many problems being encountered by developing countries. We spent a good deal of time on these at Williamsburg. The Declaration deals with them in some detail; and in a manner which I hope you will find both sympathetic and realistic.

The countries represented at Williamsburg reaffirmed their commitment to participate constructively in the Sixth United Nations Conference on Trade and Development, now in progress in Belgrade. I hope for a fruitful outcome, which will bring benefit to developed and developing countries alike.

I do not underestimate the economic problems which confront us all at this time. They are formidable; and as formidable for your country as for any other. But I am hopeful that the recovery which is now underway in some parts of the world can be sustained and spread to other countries.

Yours sincerely
Raymond D. Mervin

His Excellency
Senhor General Joao Baptista de Oliveira Figueiredo, KBE



Foreign and Commonwealth Office

London SW1A 2AH

9 June 1983

Dear John,

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Message to the Prime Minister from the President of Brazil

With my letter of 26 May I sent you the text of a letter to Mrs Thatcher from President Figueiredo about the world economic situation. I now enclose a draft reply from the Prime Minister which we shall be happy to pass by telegram for delivery by the Embassy in Brasilia.

Yours ever

J E Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

DRAFT LETTER

From: Prime Minister

To: His Excellency
Senhor Joao Baptista de Oliveira Figueiredo
President of the Federative Republic of Brazil

WILLIAMSBURG ECONOMIC SUMMIT

Thank you for your message about the world economic situation. It was useful to have your thoughts just before I left London for the Economic Summit at Williamsburg.

✍ You will have seen the text of the Williamsburg Declaration on Economic Recovery. I hope you found it encouraging. There was agreement in the discussions that a good deal of success had been achieved in reducing inflation and interest rates. There was also agreement on the importance of promoting convergence of performance in the economies of Summit countries and greater stability of exchange rates. We concluded that the present pace of recovery is indeed sustainable, but that any artificial stimulative action should be avoided. It was essential to avoid rekindling inflation. A resurgence of inflation would put at risk the gains made so far and would have a crippling effect on the developing countries as well.

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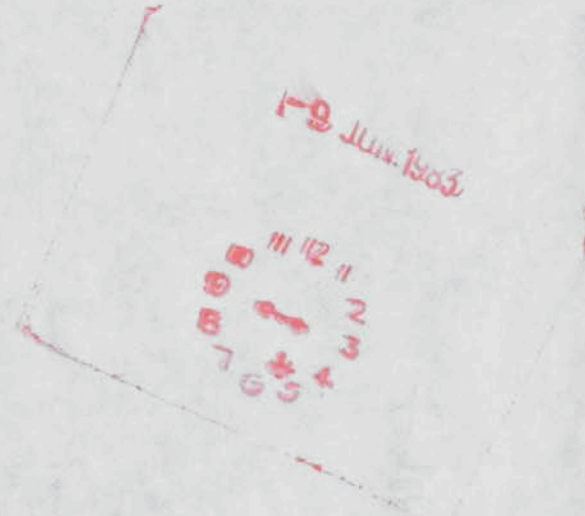
4. You described the many problems being encountered by developing countries. We spent a good deal of time on these at Williamsburg. The Declaration deals with them in some detail; and in a manner which I hope you will find both sympathetic and realistic.

5. The countries represented at Williamsburg reaffirmed their commitment to participate constructively in the Sixth United Nations Conference on Trade and Development, ~~which~~ ^{is in progress} ~~has now begun~~ in Belgrade. I hope for a fruitful outcome, which will bring ~~manifest~~ benefit to developed and developing countries alike.

~~E.~~ I ^{do not} ~~by no~~ means underestimate the economic problems which confront us all at this time. They are formidable; and as formidable for your country as for any other. But I am ^{hopeful} ~~reasonably confident~~ that the recovery which is now underway in some parts of the world can be sustained and spread to other countries.

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The first part of the document is a list of names and addresses, which is mostly illegible due to fading. The text appears to be organized in columns, possibly representing a directory or a list of correspondents.

