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Foreign and Commonwealth Office

London SW1A 2AH

22 February 1988

C W Roberts Esq CB
Department of Trade & Industry
1 Victoria Street
SW1

C.P. Fine
By counts of the
FCO line which I
prompted them to take.

Dear Christopher,

N.C.S.

JAPANESE PROPOSAL FOR AN INFORMAL MEETING OF TRADE MINISTERS

attached 22.2

Thank you for your letter of 19 February.

2. I agree that we do not want to be disobliging to Tamura. But even in its revised form the MITI proposal causes some difficulties. A meeting of the Seven Trade Ministers does risk being seen as some kind of extension of the G7 and Economic Summit machinery. Nigel Wicks has confirmed to me that he thinks the Prime Minister would still be very averse to this. The risk would be increased if the meeting (or even worse two meetings) were held in the two months immediately preceding the Summit itself. We have in the past opposed even meetings of officials from the Seven countries on similar grounds, even where the meetings were proposed for a time frame quite different from the Economic Summit and its preparations. For example, a couple of years ago the Japanese proposed a meeting of Foreign Ministry legal advisers from the Seven: but Sir R Armstrong felt strongly that we should not go along with the idea.

3. There is in addition the point that a meeting of Trade Ministers of the Seven is likely to irritate those member states in the Community who do not attend. They will argue that trade is quintessentially Community business, and will wonder why we need a new forum in addition to the "quad", which brings together the Americans, Japanese, Canadians and the Community (in the shape of the Commission). You will remember the difficulties Brock ran into in the mid-1980s when he proposed informal gatherings of Trade and Finance Ministers. The Community immediately got itself into a tizzy.

4. Our preference therefore remains that there should be no meeting. If nevertheless one takes place, it should be clear that it is a one-off occasion only. A gathering in the margins of the OECD Ministerial meeting would be bound to come to the attention of Community member states not participating, and is therefore unattractive. An informal gathering in the margin of the Trade Ministers' meeting in Konstanz would run less of a risk of creating strife within the Community, if - as I understand from you - only the Four "Summit" members of the Community will be there.

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5. MITI will presumably continue with their traditional tactic of trying to persuade each of us that the others have already responded favourably to their proposal. I therefore suggest that, before you reply to Kitamura, you should sound out your french, German and Italian colleagues. If they are all willing to accept an informal gathering in Konstanz, then I doubt if we would want to hold out on our own. If you have no early opportunity to speak to them, we could instruct our posts to do so.

6. I am sending copies of this letter to Nigel Wicks and Geoffrey Littler together with a copy of your original letter. I am also circulating my letter inside the FCO.

Yours ever,

R Q Braithwaite

R Q Braithwaite

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WPC



the department for Enterprise

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Date 19 February 1988

Dear Rodric,

JAPANESE PROPOSAL FOR AN INFORMAL MEETING OF TRADE MINISTERS

Not surprisingly, the Japanese have returned to the charge. Kitamura of the Japanese Embassy called on me this morning, on instructions from his Minister and Kuroda, to make the following proposition:-

- (i) There should be some kind of gathering of the Trade Ministers of G7 countries in the margins of the wider meeting of Trade Ministers to be held at Konstanz from 18-20 March.
- (ii) There should also be a gathering (probably over dinner) of the Trade Ministers of G7 countries in Paris at the time of the OECD Ministerial in mid-May.

Kitamura claimed that this suggestion had been put to, and was supported by, Ruggiero (the Italian Minister of Foreign Trade), Landau (France) and some unidentified senior FRG official. It had not yet been put to the US or to the Commission (or, I suspect, to Canada). In answer to a question, Kitamura said that these would be one-off arrangements: the Japanese were not proposing that they should be institutionalised for future years.

2 I said that I would have to consult more widely and put this proposition to DTI Ministers before giving a clear response. Speaking personally, however, I thought that these ideas might be rather easier for British Ministers than the previous Japanese proposals which had been linked in time and place to the Summit itself.

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3 I know that DTI Ministers do not want to be more dis-obliging to Mr Tamura than essential UK interests require. The new proposals strike me as a face-saving arrangement to get Mr Tamura off the hook without complete rejection. If some kind of informal gathering of G7 Trade Ministers takes place in the margins of the Konstanz meeting and the OECD Ministerial I do not think that the relevant DTI Minister (certainly the Minister for Trade in the case of Konstanz, and probably so for the OECD Ministerial) will want to refuse to join in. At the same time we do not need to be unduly zealous in prompting these arrangements.

4 I would like to submit to my Ministers on this subject reasonably soon, but would first be grateful for an FCO view. Perhaps we could have a word on the telephone if you see any difficulty about the line I have it in mind to take.

*Yours ever
Christopher*

*It may be helpful to you to have
our line agreed before the Shepas'
meeting on 27 Feb -*

C W ROBERTS

cc	Mr Hutton	EEP
	Mr Cooke	OT2
	Mr Johnson	EEP1
	Mr D Jones	OT2/2