

PRIME MINISTER

VISIT TO SOUTH EAST ASIA

I attach worked-up drafts for six of the speeches on this visit. They are in the attached folder.

They are:

- (i) Speech to the Malaysian Institute of Public Administration. This deals with world economic issues.
- (ii) Speech to the British Business Association in Singapore. These will be British businessmen who will want to hear an upbeat account of Britain's prospects, which we shall also want to get across to the local press. But we have shortened the 'boost Britain' bit from the earlier draft which you saw, and added sections on 'what still needs to be done' and on the work of the British Business Association.
- (iii) Speech to the Sri Lankan Parliament. I have tried to cover a pretty wide field in this. You may think it could also do with a section on international development issues - global negotiations and all that - which I could ask John Vereker to provide.
- (iv) Malaysian)
- (v) Singapore) State Banquet speeches.
- (vi) Indonesian)

The advice from all three of our posts is that 'serious' speeches are expected dealing with bilateral relations rather than light after-dinner type speeches, although I have put in a few

touches. You will probably want to say something rather more personal about Lee Kuan Yew in the Singapore speech.

We have time set aside to work on these on Monday afternoon.

I hope to find time next week for drafts for the Sri Lanka State Banquet, the Anglo/Malaysian Society and the Opening of the Victoria Dam. That will leave only two more to do!

C.D.P.

16 March, 1985

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Foreign and Commonwealth Office

London SW1A 2AH

15 March, 1985

GM.

Dear Charles,

Prime Minister's Visit to South East Asia: Speeches

Thank you for your letters of 11-12 March.

I now enclose further drafts of the following speeches:

- / the speech to the official banquet in Malaysia;
- / the speech to the official banquet in Singapore;
- / the speech to the official banquet in Indonesia;
- / the speech to the Sri Lankan Parliament.

I have retained two speeches here for further work over the weekend: the speech to the Sri Lankan banquet, and to the Malaysia-British Society. They will follow on Monday morning.

Yours ever,
Peter Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

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cc AT ✓

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Treasury Chambers, Parliament Street, SW1P 3AG

Andrew Turnbull Esq
10 Downing Street
LONDON SW1

15 March 1985

Dear Andrew,

PRIME MINISTER'S FAR EAST TOUR

You asked us to provide a draft speech on world economic issues for the Institute of Public Administration in Kuala Lumpur. I attach a draft which follows the synopsis you suggested.

Although the Far East tour is now not far off we will need to keep a watch on movements in the dollar and on the preparations for the IMF/IBRD meetings on 17-19 April. Significant developments here may need to be taken on board nearer the time.

Yours ever,
A M EllisA M ELLIS
Private Secretary



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PS/ Secretary of State for Trade and Industry

14 March 1985

Charles Powell Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON
SW1

Dear Charles,

PRIME MINISTER'S VISIT TO SOUTH EAST ASIA : SPEECHES

Thank you for your letter of 11 March to Callum McCarthy.
You asked for a substantial passage on a new GATT round for
inclusion in the Prime Minister's speeches. This is
... attached.

Yours sincerely

Maureen Dodsworth

MAUREEN DODSWORTH
Private Secretary

Encl

NEW GATT ROUND

1. The UK favours an early round of multilateral trade negotiations in the GATT. This is a matter of self-interest for the UK - because we live by our exports and the open trading system of the GATT. But it is also a matter of self-interest for you, the developing countries of South East Asia. You too live by your exports. You too depend on the multilateral trading system which has offered you markets for the products in which you have shown yourselves increasingly cost-competitive. It is my belief that a New Gatt Round is essential to the maintenance and reinforcement of this system - with all the opportunities it offers for the creation of wealth and the sharing of prosperity.
2. I urge you not to under-estimate the current threats to open trade. The oil price revolution triggered a long-delayed process of restructuring in the older industrial economies; this process is going on at the maximum acceptable speed. But the costs, particularly in terms of high unemployment, have been great, and domestic protectionist pressures have grown in consequence. Due to the current level of the dollar, they are particularly strong in the USA. On world markets, the balance of national economic forces reflected in the GATT has been significantly changed by the rapid growth of some countries, particularly where this has taken place in narrow sectors and been associated with high levels of exports. All of this poses a major challenge to the liberal trading order and to GATT. If the GATT cannot meet the challenge, it could start to wither away. This in turn could provoke a trend towards bilateralism and inward-looking trading blocs. This would be particularly harmful to the developing countries - who are major beneficiaries from the present trading system. A productive GATT Round would be the surest way to avert this danger.

3. As to the subject matter of negotiations, we believe that a New Round should encompass the whole range of issues which currently make up trade policy. This means going beyond the traditional themes of tariffs and market access for goods - to look at issues like trade in services and the containment of counterfeiting. It is anomalous that services, which now comprise more than 20% of world trade, are currently outside GATT disciplines. Liberalisation in this sector would operate, on the model of our experience with trade in goods, to the benefit of both providers and users of services. A greater openness of international services markets would also make it easier to accept the painful process of adjustment in developed country markets as certain types of manufacturing activity pass - quite rightly - to the newly-industrialised countries. Equally we hope these countries will be ready to graduate towards acceptance of the responsibilities as well as the rights of full GATT membership. [Some like Singapore and Hong Kong already have liberal import regimes. But] Certain fast-growing developing countries still maintain import restrictions which are a poor reflection of the free access they enjoy to our markets. I recognise that there may be short term difficulties because of debt problems. But our aim should be to make free trade a genuinely two-way street.

4. I can understand the developing world's hesitations about a Round. But some of the arguments against it do not stand up. For example, it is said that a New Round must wait until GATT has finished its current work programme. No one is arguing that GATT has no work in hand. I for one would certainly not want to lose the impetus of present work on a subject like trade in agricultural products. But I think

a New Round would give the GATT new purpose - and embrace a range of objectives both old and new. If the present work is to be carried to a successful conclusion, this can only be through a New Round.

5. I have also heard it argued that the developing countries will not agree to a Round because there would be nothing in it for them. It is clear to me that negotiations can only succeed if all GATT members participate in a process of give and take which addresses the major preoccupations of each one of them. I do not want an agenda of interest only to developed countries. I very much want to hear from developing countries which items, whether from the existing work programme or not, they want to pursue. Certainly the United Kingdom is ready for some "giving" as well as some "taking" as part of a balanced outcome.

6. Perhaps, in any case, the concept of issues being of interest only to developed countries, or only to developing countries, is itself becoming out-dated. We all stand to benefit from a GATT system which promotes enterprise. The GATT should now be adapting to a world where the boundaries between industrialised and non-industrialised economies, and between manufacturing and other activities, are becoming ever more blurred. Let us relish the challenge which this poses for us all.

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Foreign and Commonwealth Office

London SW1A 2AH

14 March, 1985

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Dear Charles,

Prime Minister's Visit to Asia: British Business Association
(BBA) Speech, Singapore

Thank you for your letter of ~~11~~ March.

I enclose a suggested 300 words or so for the above speech on the work and role of the BBA.

Yours ever,
Peter Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

SINGAPORE: PRIME MINISTER'S SPEECH TO BBA:

8 APRIL

1. Next year, your Association will celebrate ten years of service in promoting British trade with Singapore. It is a remarkable record of growth. I see that your membership of 400 is drawn from every major British business interest here: banking, industry, the high-technology sector and commerce. In your vigour and diversity, you truly mirror Singapore's own extraordinary and many-sided development.

2. If British exporters are to succeed in the demanding markets of this region, it is essential that they compete, tenaciously. That means individual companies being present here, in touch with local conditions and needs. It also means having a really effective Business Association on the spot.

3. I know that you do valuable work in representing the views of your members here to the Singapore Government. Equally important, you pass back your pooled experience

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of operating in Singapore to individual members. And you enable British businessmen here to meet each other, and international counterparts.

4. That can only be good for British trade with South East Asia. As representatives for the CBI you have the challenging responsibility of representing the whole of British Industry here and will often be companies' first point of reference when they wish to do business with Singapore. You have every reason to be confident of your position with the support which our own revitalised industrial power base back in Britain will provide. As major contributors to the South East Asia Trade Advisory Group you play an important role, too, within the wider context of our trade with South East Asia as many British firms use Singapore as a springboard for entry to other markets in the region.

5. I know that you work closely with the British Overseas Trade Board in helping visiting trade missions, Chambers of Commerce and individual businessmen make the most of their time here. And your list of recent speakers is itself testimony to Singapore's importance as

a major financial and business centre.

6. Clearly, you have much to do, and you are doing it very well. With your energetic full-time Director, Jack Snowden, you are well set for further expansion. I am sure that Britain and Singapore will both benefit. British exports to Singapore have doubled in the past five years. Your Association has contributed in no small way to that success. I am grateful for all the hard work the Association has put in to this.



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10 DOWNING STREET

12 March, 1985

From the Private Secretary

PRIME MINISTER'S VISIT TO SOUTH EAST ASIA: SPEECH AT
OFFICIAL BANQUET IN MALAYSIA

I enclose a revised draft of the Prime Minister's speech at the official banquet in Malaysia. I should be grateful if it could be further worked up. In particular it needs a passage near the beginning picking out one or two points of Malaysia's history and some amusing references, if they can be found, to our role in it. Perhaps the High Commission could suggest something. It also needs a passage on bilateral problems. It may, of course, not be possible to finalise this until we are there but I should be grateful for a working draft.

It would be helpful to have the text back by 1600 hrs next Friday. May I please leave it to you to consult the Department of Trade and Industry.

(C D Powell)

P Ricketts, Esq.,
Foreign and Commonwealth Office