Collection:
Robinson, Roger W: Files
Folder Title:
SIG-IEP Meetings 01/01/1985-01/31/1985
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File Folder SIG-IEP MEETINGS: 01/01/1985-01/31/1985

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71

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
134204	MMEO	GASTON SIGUR ET AL TO ROBERT MCFARLANE RE: U.S.-JAPAN TALKING POINTS	2	1/3/1985	B1
134205	TALKING POINTS	RE: LOS ANGELES MEETING WITH PRIME MINISTER NAKASONE	3	ND	B1
134206	PAPER	RE: FOURTH SESSION OF US-USSR WORKING GROUP OF EXPERTS	5	1/18/1985	B1
134207	LIST	OF ATTENDEES AT SIG-IEP MEETING	1	1/4/1985	B1
134208	MINUTES	SIG-IEP MEETING	4	12/20/1984	B1
134209	MINUTES	SIG-IEP MEETING	5	1/4/1985	B1
134210	PAPER	RE: WORLD OIL PRICES	3	ND	B1

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]
B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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Box Number	
7	71

ID	*Document Type* / *Document Description*	*No of pages*	*Doc Date*	*Restrictions*
134204	MMEO GASTON SIGUR ET AL TO ROBERT MCFARLANE RE: U.S.-JAPAN TALKING POINTS	2	1/3/1985	B1

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ID	*Document Type* *Document Description*	*No of pages*	*Doc Date*	*Restrictions*
134205	TALKING POINTS RE: LOS ANGELES MEETING WITH PRIME MINISTER NAKASONE	3	ND	B1

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THE SECRETARY OF THE TREASURY
WASHINGTON 20220

January 3, 1985

UNCLASSIFIED

MEMORANDUM FOR THE VICE PRESIDENT
THE SECRETARY OF STATE
THE SECRETARY OF DEFENSE
THE SECRETARY OF AGRICULTURE
THE SECRETARY OF COMMERCE
THE SECRETARY OF TRANSPORTATION
THE SECRETARY OF ENERGY
DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET
DIRECTOR OF CENTRAL INTELLIGENCE
UNITED STATES TRADE REPRESENTATIVE
ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS
ASSISTANT TO THE PRESIDENT & DEPUTY TO THE CHIEF OF STAFF
ASSISTANT TO THE PRESIDENT FOR CABINET AFFAIRS
CHAIRMAN, COUNCIL OF ECONOMIC ADVISERS
ASSISTANT TO THE PRESIDENT FOR POLICY DEVELOPMENT

SUBJECT: Senior Interdepartmental Group on International Economic Policy (SIG-IEP)

A meeting of the SIG-IEP is scheduled to be held on Friday, January 4, at 2:30 p.m. in the Roosevelt Room. The subject will be President Reagan's meeting yesterday with Prime Minister Nakasone. I apologize for the short notice, but I know you would be interested in hearing a report on the meeting as soon as possible. The President's National Security Advisor, Bud McFarlane, will make the presentation.

Attendance will be principal plus one. No briefing papers will be supplied.

DTR

Donald T. Regan

UNCLASSIFIED

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THE SECRETARY OF THE TREASURY

WASHINGTON, D.C. 20220

January 22, 1985

UNCLASSIFIED
(With ~~Secret~~ Attachment)

MEMORANDUM FOR THE VICE PRESIDENT
THE SECRETARY OF STATE
THE SECRETARY OF DEFENSE
THE SECRETARY OF AGRICULTURE
THE SECRETARY OF COMMERCE
THE SECRETARY OF TRANSPORTATION
THE SECRETARY OF ENERGY
DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET
DIRECTOR OF CENTRAL INTELLIGENCE
UNITED STATES TRADE REPRESENTATIVE
ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS
ASSISTANT TO THE PRESIDENT & DEPUTY TO THE CHIEF OF STAFF
ASSISTANT TO THE PRESIDENT FOR CABINET AFFAIRS
CHAIRMAN, COUNCIL OF ECONOMIC ADVISERS
ASSISTANT TO THE PRESIDENT FOR POLICY DEVELOPMENT

SUBJECT: Senior Interdepartmental Group on International Economic Policy (SIG-IEP)

A meeting of the SIG-IEP is scheduled to be held on Thursday, January 24, at 11:00 a.m. in the Roosevelt Room.

The agenda items are:

1) U.S.-Japan Economic Issues;

2) Report on U.S.-USSR Working Group of Experts Meeting;

3) U.S. Position on Common Fund;

4) King Fahd Visit: Economic Issues.

A Commerce Department report on the U.S.-USSR Working Group of Experts Meeting and a Treasury Department discussion paper on the Common Fund are attached. Papers on the other two agenda items are being prepared by USTR and will be forwarded as soon as they are available.

Attendance will be principal plus one.

DTR

Donald T. Regan

UNCLASSIFIED
(With ~~Secret~~ Attachment)
sm 03/26/2012

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Collection Name	*Withdrawer*
Robinson, Roger: Files	SRN 3/26/2012
File Folder	*FOIA*
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ID	*Document Type* / *Document Description*	*No of pages*	*Doc Date*	*Restrictions*
134206	PAPER RE: FOURTH SESSION OF US-USSR WORKING GROUP OF EXPERTS	5	1/18/1985	B1

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

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COMMON FUND

Issue

Should the United States ratify the Common Fund?

It is time for the United States to make a definitive decision on the Common Fund and put the issue behind us. The issue is coming to the fore because of diplomatic pressure on the United States to ratify by G-77 countries. The pressure is occasioned by the fact that ratifications have reached the point where U.S. ratification (and expected ratifications following our lead) would be sufficient to bring the Common Fund into force. However, to ratify, the United States would have to jettison a precondition we have insisted on for the last four years and to overcome philosophical aversion and practical doubts about the Common Fund.

U. S. position

The U.S. position has been that we would consider taking steps to ratify the Common Fund Agreement when several eligible commodity agreements are prepared to associate with the Common Fund. This consistent U.S. position is based on the premise that the Common Fund makes no sense without commodity agreements able to associate with it. The United States has declined to pledge resources to the Second Window of the Fund, and our position is not affected by arguments that the Second Window should be allowed to operate even if the First Window never does. The United States has also rejected the notion that we should ratify because other countries have.

Provisions of the Common Fund

The ideas motivating the Common Fund are that price-stabilizing commodity agreements are desirable and that commodity organizations can borrow more cheaply as a group (from one another and commercially) than as individual entities.

The Common Fund's intent then is to facilitate the financing of price-stabilizing buffer stock agreements and to help mobilize funding of "other measures" to improve the market position of commodities. To this end, the Common Fund's First Window is designed to lend money to the buffer-stock operations of associated commodity agreements. The source of the funds would be pooled assets of associated agreements and funds borrowed commercially.

The Fund's Second Window would finance commodity projects aimed at improving structural conditions in commodity markets and at enhancing the competitiveness of commodities, primarily by financing research and development to promote consumption.

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Entry-into-force requires ratification by 90 countries accounting for two-thirds of $470 million of direct contributions (to be used as collateral to secure commercial borrowing), and 50 percent of $280 million of voluntary contributions to the Second Window.

Current situation

As of mid-September, 83 countries had ratified the Common Fund accounting for 50 percent of direct contributions. The Second Window requirement for entry into force has already been met. The last deadline for entry into force was January 1, 1984; this deadline was not met but it has been extended de facto.

The United States has a 15.7 percent share of direct contributions. Ratification by the United States and Germany would complete the two-thirds threshold and most observers believe that sufficient ratifications to reach the required 90 would follow in the wake of U.S. ratification. (Among other major countries, only West Germany and the Soviet Union have not ratified; West Germany is committed to ratify.)

Meanwhile, contentious issues over voting and rules for Second Window financing are in abeyance until it is known whether the Fund will enter into force. The voting question revolves around LDCs' insistence that their bloc have effective voting control of the organization under all circumstances. This would require further decoupling of financial contributions from votes, a highly undesirable feature in a financial institution.

History

The idea of a common fund has been a major feature of international discussion since about 1974. At that time the UNCTAD Secretariat elaborated a common fund proposal, opened it for international discussion, and promoted it. Developed countries showed little or no interest in a common fund, questioning its need and usefulness. But developing countries kept up the pressure and negotiations began in 1977. These negotiations led to formal "Articles of Agreement for the Common Fund" in June 1980. The United States signed the articles in 1980. Since then, ratifications have steadily increased, as the UNCTAD Secretariat pushed for entry into force. At the same time, however, high-level interest in major industrial countries has faded, as evidenced by Summit communiques which at first urged ratification, but at London simply stated "some of us also wish to activate the common fund for commodities".

Commodity agreements

Currently there are only three agreements which have buffer stocks and which are thereby eligible to associate with the Common Fund, if it enters into force. These are international commodity agreements for cocoa, natural rubber, and tin. (The coffee agreement, the wheat agreement, and the new sugar agreement do not qualify since they have no internationally controlled stocks.) All three of the potentially eligible agreements would require significant modification to meet requirements for association with the Common Fund. Although the agreements have provisions to enable them to associate with the Fund, none have started the process.

Options

1) Ratify

US ratification would be well received by the Group of 77 and some of our OECD allies. It would eliminate the United States as an obstacle to entry into force, and thereby to LDC access to resources pledged to the Second Window by other countries. The cost is not large, $74 million, $25 million paid in. But it would require the United States to abandon its present position that there first be commodity agreements able to associate with the Fund. There are no clear economic benefits to the United States other than small potential savings for our membership in the rubber agreement if it associates (we are not members of either the cocoa or tin agreement). And the Fund might foster new commodity agreements which this Administration dislikes and would bring into operation another concessional aid institution (the Second Window). Moreover, in ratifying the Common Fund, the United States would accept a voting structure, bad in itself, and inimical to our interests in other financial institutions.

2) Reject ratification

Would subject us to considerable political heat, because the United States has abandoned a principal prop of the north-south dialogue. It is conceivable that the Fund would come into being without the United States, providing a propaganda windfall for the Soviet Union which could claim credit. However, would avoid U.S. cooperation in bringing into force an institution which goes against U.S. commodity policy and against U.S. policy on additional concessional finance. Would avoid encouraging the belief that given enough time and pressure the United States is prepared to accede to questionable economic ventures.

3) Don't change present position

It is sensible to insist that the Common Fund have something to finance before agreeing to it. It leaves the door open to eventual ratification. Other countries would continue to pressure us to ratify. The Common Fund is unpalatable in principle and of little or no use in practice and it is time to remove it from our agenda by announcing we will not ratify.

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To: Officer-in-charge
Appointments Center
Room 060, OEOB

Please admit the following appointments on Friday, January 4, 19 85

for Robert C. McFarlane of NSC
(NAME OF PERSON TO BE VISITED) (AGENCY)

(see attached list)

MEETING LOCATION

Building White House

Room No. Roosevelt Room

Time of Meeting 2:30 p.m.

Requested by ~~Patricia Battenfield~~

Room No. 365 Telephone 4985

Date of request January 4, 1985

Additions and/or changes made by telephone should be limited to three (3) names or less.

APPOINTMENTS CENTER: SIG/OEOB — 395-6046 or WHITE HOUSE — 456-6742

UNITED STATES SECRET SERVICE

SSF 2037 (03-78)

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Box Number	
7	71

ID	*Document Type* *Document Description*	*No of pages*	*Doc Date*	*Restrictions*
134207	LIST OF ATTENDEES AT SIG-IEP MEETING	1	1/4/1985	B1

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]
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OFFICE OF THE SECRETARY OF THE TREASURY
WASHINGTON, D.C. 20220

January 9, 1985

UNCLASSIFIED
(With ~~Confidential~~ Attachment)

MEMORANDUM FOR THE VICE PRESIDENT
THE SECRETARY OF STATE
THE SECRETARY OF DEFENSE
THE SECRETARY OF AGRICULTURE
THE SECRETARY OF COMMERCE
THE SECRETARY OF TRANSPORTATION
THE SECRETARY OF ENERGY
DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET
DIRECTOR OF CENTRAL INTELLIGENCE
UNITED STATES TRADE REPRESENTATIVE
ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS
ASSISTANT TO THE PRESIDENT & DEPUTY TO THE CHIEF OF STAFF
ASSISTANT TO THE PRESIDENT FOR CABINET AFFAIRS
CHAIRMAN, COUNCIL OF ECONOMIC ADVISERS
ASSISTANT TO THE PRESIDENT FOR POLICY DEVELOPMENT

SUBJECT: Senior Interdepartmental Group on International Economic Policy (SIG-IEP)

Attached are the minutes of the SIG-IEP meeting held on December 20, 1984.

CH

Christopher Hicks
Executive Secretary and
Executive Assistant to the Secretary

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Box Number	
7	71

ID	*Document Type* *Document Description*	*No of pages*	*Doc Date*	*Restrictions*
134208	MINUTES SIG-IEP MEETING	4	12/20/1984	B1

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

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OFFICE OF THE SECRETARY OF THE TREASURY
WASHINGTON, D.C. 20220

January 15, 1985

UNCLASSIFIED
(With ~~Confidential~~ Attachment)

MEMORANDUM FOR THE VICE PRESIDENT
THE SECRETARY OF STATE
THE SECRETARY OF DEFENSE
THE SECRETARY OF AGRICULTURE
THE SECRETARY OF COMMERCE
THE SECRETARY OF TRANSPORTATION
THE SECRETARY OF ENERGY
DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET
DIRECTOR OF CENTRAL INTELLIGENCE
UNITED STATES TRADE REPRESENTATIVE
ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS
ASSISTANT TO THE PRESIDENT & DEPUTY TO THE CHIEF OF STAFF
ASSISTANT TO THE PRESIDENT FOR CABINET AFFAIRS
CHAIRMAN, COUNCIL OF ECONOMIC ADVISERS
ASSISTANT TO THE PRESIDENT FOR POLICY DEVELOPMENT

SUBJECT: Senior Interdepartmental Group on International Economic Policy (SIG-IEP)

Attached are the minutes of the SIG-IEP meeting held on January 4, 1985.

CH

Christopher Hicks
Executive Secretary and
Executive Assistant to the Secretary

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(With ~~Confidential~~ Attachment)
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Box Number
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71

ID	*Document Type* / *Document Description*	*No of pages*	*Doc Date*	*Restrictions*
134209	MINUTES SIG-IEP MEETING	5	1/4/1985	B1

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OFFICE OF THE SECRETARY OF THE TREASURY
WASHINGTON, D.C. 20220

29

January 23, 1985

UNCLASSIFIED
(With ~~Confidential~~ Attachment)

MEMORANDUM FOR THE VICE PRESIDENT
THE SECRETARY OF STATE
THE SECRETARY OF DEFENSE
THE SECRETARY OF AGRICULTURE
THE SECRETARY OF COMMERCE
THE SECRETARY OF TRANSPORTATION
THE SECRETARY OF ENERGY
DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET
DIRECTOR OF CENTRAL INTELLIGENCE
UNITED STATES TRADE REPRESENTATIVE
ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS
ASSISTANT TO THE PRESIDENT & DEPUTY TO THE CHIEF OF STAFF
ASSISTANT TO THE PRESIDENT FOR CABINET AFFAIRS
CHAIRMAN, COUNCIL OF ECONOMIC ADVISERS
ASSISTANT TO THE PRESIDENT FOR POLICY DEVELOPMENT

SUBJECT: Senior Interdepartmental Group on International Economic Policy (SIG-IEP)

Attached for tomorrow's SIG-IEP meeting is a status report on the Japan IG, a USTR paper on an issue likely to arise during King Fahd's visit to the United States, and a paper on world oil markets and prices prepared by the Department of Energy.

CH

Christopher Hicks
Executive Secretary and
Executive Assistant to the Secretary

UNCLASSIFIED
(With ~~Confidential~~ Attachment)
SMN 03/26/2012

DEPUTY UNITED STATES TRADE REPRESENTATIVE

EXECUTIVE OFFICE OF THE PRESIDENT

WASHINGTON, D.C. 20506

202-395-5114

30

January 22, 1985

MEMORANDUM

TO: Secretary Donald T. Regan
Chairman, SIG-IEP

FROM: Ambassador Michael B. Smith
Chairman, Japan IG

SUBJECT: Japan IG - Status Report

To undertake the mandate given by the SIG-IEP at its January 4 meeting, I convened the newly established Japan IG twice during the week of January 7, once on the 17th, and we will meet again tomorrow. At tomorrow's IG meeting, draft scope and objective papers will be examined. All SIG-IEP member agencies interested in trade are participating. Following is a status report and responses to questions you raised at the SIG-IEP.

Message to the GOJ

In order to build on the momentum of the President's meeting with the Prime Minister, the SIG-IEP agreed that we should promptly dispatch a message to the GOJ. The IG met its deadline of agreeing on the message by January 11. Secretary Shultz signed the letter to Minister Abe January 16 and cabled it to our Tokyo Embassy for immediate delivery.

The letter (Tab 1) proposes that Under Secretary Wallis lead a group including Under Secretary Olmer, Deputy Under Secretary Amstutz, and myself to meet with our counterparts in Tokyo January 29-30. At present, Under Secretary Sprinkel is regretably unavailable on these dates. These are the only dates between now and mid-February when most of the Under Secretaries are available. The purpose of this Tokyo meeting is to discuss the formation of the sector teams and agree on how the teams will proceed. This meeting may be moved to January 28-29 at the request of the GOJ.

Secretary Shultz's letter also proposes that, given the urgency of telecommunications issues, the Telecommunications Sector Group have its first bilateral meeting the week of January 28. We expect other sectors to have their initial meetings in February.

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Composition of the Sector Teams

Commerce and USTR will co-chair the telecommunications/electronics sectors, USDA will take on forest products, and the medical equipment/pharmaceuticals will be led by Treasury or, if Treasury is unable to, USTR will lead. Preparations on forestry products are advanced; others will require more preparations.

Additional Sectors

We have considered the question of whether sectors in addition to the original four should be included in this first round. In particular, we looked at your suggestion of chemicals and Secretary Baldrige's suggestion of manufactured tobacco products. While it is agreed that these and other sectors should be included, it is our recommendation that, in view of the resources available, we should confine our current efforts to the original four sectors. We would take on other sectors as the original sectors are taken care of.

Coordination of the Sector Teams

It is of course essential that the sector teams operate in a manner and pursue objectives consistent with our overall trade policy. It is also essential that on issues which cut across more than one sector, such as standards, that the objectives of the various teams are consistent. To assure this we will use the existing interagency trade policy coordinating groups structured under the Trade Policy Committee. All position papers and negotiating instructions for the sector teams will be cleared through the TPC process.

Contacts with Business Community

We have two objectives here. First we need to get the word out on the new approach. Industries included in the four selected sectors want to know what will happen. Industries not included are worried that their interests are being abandoned. We need to meet with industry groups and trade associations to explain the new approch. Ambassador Brock began this process in his January 9 meeting with the Advisory Committee for Trade Negotiations (ACTN). He will have another opportunity when he addresses the February 4 meeting of the Advisory Council on Japan-U.S. Economic Relations. The Emergency Committee on American Trade assembled a group of interested firms for me to brief on January 17. We will offer similar briefings to other groups as well.

Our second objective is to assemble private sector advisors for each of the sector teams to identify problems and agree on objectives. Moreover, we will ask for continuing support

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from these industries, including technical advisors where needed. As soon as the sector teams are formed they will begin meeting with interested trade associations and firms. Some associations such as The American Paper Institute have already begun to prepare for these consultations.

Contacts with the Congress

We also need to brief the Congress on our new approach. On January 10, I briefed the staffs of the Trade Subcommittees of the Senate Finance Committee and the House Ways and Means Committee. As the Congress returns to town we will also be briefing interested Members. It was agreed that USTR will coordinate these Congressional contacts.

Possible Ministerial Meeting

At the SIG-IEP meeting you asked about the new M-7 group formed by Prime Minister Nakasone, and raised the question of a possible bilateral ministerial meeting. The GOJ paper at Tab 2 presents the members and objectives of the M-7 group, known formally as the Ministerial Conference for External Economic Affairs.

The IG has discussed the possible utility of a ministerial meeting. It is not clear that the benefits would outweigh the costs. However, we are continuing to look at the idea, including possible opportunities for such a meeting.

Attachments

THE SECRETARY OF STATE

WASHINGTON

33

January 16, 1985

Dear Mr. Minister:

As soon as I returned from our Los Angeles meeting, I immediately began final preparations for my meeting with Soviet Foreign Minister Gromyko, and I therefore have not had an opportunity until now to write and express my satisfaction with our January 2 meetings, and the special role that you and officials of your Foreign Ministry played in them. As the President indicated in his remarks to the press afterwards, Prime Minister Nakasone's visit has reconfirmed and strengthened the vital relationship that exists between our two countries.

The President and Prime Minister had an excellent exchange of views on the key issues. It was appropriate that our economic relations, particularly our trading relations, were at the top of the agenda. The agreement to work strenuously in the months ahead to open our markets sets the stage for resolving many of our major problems in trade.

You and I have been charged by the President and Prime Minister with overseeing this intensified cooperative effort to make progress in our economic relations. I take this charge most seriously. As President Reagan said, failure to overcome these obstacles in trade will complicate our ability to fulfill the vision of international partnership between Japan and the United States that we both share. We must not allow this to happen. We can and must remove these obstacles. Our two leaders have made the political commitment. We must now produce results.

We are organizing our government to focus at least initially on the four sectors agreed by the President and Prime Minister: telecommunications, electronics, forest products, and medical equipment and pharmaceuticals. We are now studying whether other sectors should be included in this first group.

His Excellency
Shintaro Abe,
Minister of Foreign Affairs,
Tokyo.

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It is our intention to have teams to negotiate on each of the sectors. The U.S. side will be led by Under Secretary-level officials in all meetings with your government. I understand that it is your intention that the Japanese delegations be chaired by Vice Ministers.

To launch this process I propose that Under Secretary Allen Wallis lead a U.S. delegation of Under Secretary-level officials to Tokyo January 29-30 to meet with their Japanese Government counterparts. In that meeting we propose discussion of the formation of the sector teams and how the negotiations would be conducted, and determination of the initial schedule of meetings, including the possibility of a ministerial-level meeting for an initial formal review of the progress of the negotiations. I would hope that this mission could meet with those political figures and business leaders in Japan whom Prime Minister Nakasone has involved in the follow-up process. In addition we would expect that officials of our two governments could jointly have an opportunity to meet with the press to clarify our mutual understanding.

U.S.-Japan Economic Sub-Cabinet Consultations are scheduled for early in March. At that time the Under Secretaries may wish to meet separately to review progress being made by the negotiating teams.

One sector, telecommunications, is particularly ready for negotiation. In view of your recently enacted laws which are to be implemented in April, and the special interest evinced by the Prime Minister in this sector, we believe it is essential to get the negotiations on telecommmunications underway January 30 and 31. I hasten to add, however, that we would wish to begin negotiations on the other three sectors very shortly thereafter. We also look forward to the meetings of our energy experts in early February to accelerate the implementation of our joint energy agreement.

President Reagan and Prime Minister Nakasone will next meet at the time of the Economic Summit in May. I believe that you and I should report to them prior to that meeting on what progress has been made.

I look forward to our continuing cooperation.

Sincerely yours,

George P. Shultz

Press Release

For Immediate Release
December 6, 1984

On the Establishment of the "Ministrial Conference for External Economic Affairs"

December 4, 1984
Ministerial Conference for Economic Measures

The Ministerial Conference for External Economic Affairs as described below has been established in order to facilitate the smooth handling of external economic problems. In addition, a meeting of the Advisory Committee for External Economic Affairs has been called. The conference will select a number of foreign experts to participate in the hearings. This is the first time that the Government has permitted foreign experts to present their opinions in this type of government policy-making forum.

1. The Establishment of the Ministerial Conference for External Economic Affairs:

(1) Objectives:

The Ministerial Conference for External Economic Affairs (hereinafter called "Conference") is hereby established within the Ministerial Conference for Economic Measures in order to facilitate the handling of external economic problems.

(2) Members:

The members of the Conference will include the following members of the Ministerial Conference for Economic Measures: the Minister for Foreign Affairs, Minister of Finance, Minister of Agriculture, Forestry and Fisheries, Minister of International Trade and Industry, Director-General of the Economic Planning Agency, Chief Cabinet Secretary, and Minister of State Toshio Komoto. In addition, participation will be solicited from the the Chairman of the Liberal Democratic Party Political and Research Council and the Chairman of the Special Research Committee for International Economic Measures.

The Conference will meet as necessary, and will be empowered to request participation by concerned Cabinet Ministers.

(3) Presiding Chairman:

The Presiding Chairman of the Conference will be Minister of State, Toshio Komoto.

(4) Scope of Activities:

The Conference at the request of the Ministerial Conference for External Economic Measures, will investigate and deliberate on the following matters.

a. The implementation of decisions made by the Ministerial Conference for Economic Measures regarding external economic measures.

b. Mid-term questions involving the further internationalization of Japan's economy.

c. Specific actions which should be taken for the moment with regard to external economic questions.

(5) Reporting:

Results of the inquiries and deliberations of the Conference will be reported to the Ministerial Conference for Economic Measures.

(6) Board of Directors' Meeting:

a. A board of directors meeting is established in order to effectively manage the Conference. It will be constituted by the Bureau Chiefs in charge from the Ministry for Foreign Affairs, Ministry of Finance, Ministry of Agriculture, Forestry and Fisheries, Ministry of International Trade and Industry, and the Economic Planning Agency, and in addition, the Director of the Chief Cabinet Secretary's Office and the Director of the Chief Cabinet Secretary's Special Affairs Office.

b. Members of the board of directors can be added temporarily as needed.

c. Director of the Coordinating Bureau of the Economic Planning Agency will serve as the presiding officer over the Board of Directors.

(7) General Affairs:

The general affairs of the Conference, will be handled by the Special Affairs Office of the Chief Cabinet Secretary with the cooperation of the Coordination Bureau of the Economic Planning Agency.

2. The Calling of the Advisory Committee for External Economic Affairs:

(1) Objectives:

The Advisory Committee for External Economic (hereinafter referred to as "Committee") meeting will be called at the request of the Conference to deliberate and express their opinions.

(2) Members:

There will be participation from up to 10 members with deep knowledge and experience in international economics, international financing, international trade, and other external economic questions.

(3) Sitting Chairman:

The Committee will select a sitting chairman from among their ranks.

(4) Collecting Opinions:

a. Special Participants:

The Committee will select a number of foreign experts as special participants and will hear their opinions from time to time.

b. Other:

When necessary, the subcommittee will conduct hearings which elicit the opinions of employees of related government agencies and ministries, or academics or persons having relevant experience and knowledge from both Japan and abroad.

(5) General Affairs:

The general affairs of the Committee will be handled by the Special Affairs Office of the Chief Cabinet Secretary with the cooperation of the Coordination Bureau of the Economic Planning Agency.

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OFFICE OF THE UNITED STATES
TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON
20506

January 22, 1985

U.S. - Saudi Trade Issues

A number of trade issues may be raised during the course of the King's visit. Key among the issues are the Saudis' interest in continued access to the U.S. market for its petrochemicals exports; efforts in Congress to address petrochemicals pricing through legislation which will affect its exports; possible preferential access to the U.S. market for petrochemicals under the GSP and; the viability of a product-specific bilateral agreement or Free Trade Arrangement. Work is underway within the interagency Trade Policy Committee framework on agreed positions for these issues. A discussion on options for dealing with these issues will be included in the interagency paper for the King's visit.

WITHDRAWAL SHEET

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