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(Economic Summit, Versailles, France, 06/05/1982-06/06/1982)

Case file Number(s): 130000 – End

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FO006-04 (ECONOMIC SUMMIT, VERSAILLES, FRANCE, 06/05/1982-06/06/1982) (130000-END)

**FOIA** F16-011

**Box Number** 

File Folder

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				93	
ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
244089	LETTER	RODRIC BRAITHWAITE TO BOB [HORMATS]	1	2/12/1982	B1
244090	LETTER	SIR ROBERT ARMSTRONG TO JACQUES ATTALI, RE: VERSAILLES ECONOMIC SUMMIT	2	ND	B1
244091	LETTER	SIR ROBERT ARMSTRONG TO JACQUES ATTALI, RE: VERSAILLES ECONOMIC SUMMIT	4		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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135541

**MEMORANDUM** 

THE WHITE HOUSE WASHINGTON

6,

F0006-04 1986 FG106-12 RS

March 24, 1983

MEMORANDUM FOR RICHARD DARMAN

FROM:

WILLIAM P. CLARK

SUBJECT:

Press Announcement of Versailles Summit

Technology Report

The attached press announcement on the publication of the Versailles Summit technology report has been cleared by the State Department and the Office of Science and Technology Policy for release at Noon, Friday, March 25, 1983. Mort Allin's office has been supplied with multiple copies of the executive summary of the report and a few copies of the report itself.

Attachment
Tab A - Press Release

NSC# 8301986

MAR 2 4 1983

# White House Press Release on Versailles Summit Report on Technology Growth and Employment

The President is pleased to release today the report,

"Technology, Growth and Employment." This report is the result
of a Working Group which was established last June at the

Versailles Economic Summit in France by the President and the
heads of state and government from the other Summit countries
and the European Community.

The President applauds the report as an example of the serious and substantive work that can result from the Summit process. He welcomes its emphasis on technology as a key to industrial competitiveness and economic growth, which will be the subject of important discussions at the Williamsburg Summit on May 28-30.

The report considers the opportunities, problems, and challenges presented by technology and analyzes the relationship between technology, economic growth and employment. The report offers a number of useful recommendations on shared problems such as achieving sustained, non-inflationary growth, lowering trade barriers among Summit nations in high technology products, and restricting transfer of militarily significant technology to Soviet Bloc countries.

In addition, the report identifies eighteen new projects for international cooperation. The U.S. has proposed five of them and will serve as the lead country for their implementation. These are high energy physics, remote sensing from space, solar system exploration, fast breeder reactors, and controlled thermonuclear fusion.

The work was carried out under the auspices of the Personal Representatives of the heads of state and government that meet at the Annual Economic Summit. Dr. George A. Keyworth, Science Advisor to the President and Director of the Office of Science and Technology Policy, served as the U.S. Representative for this activity and John M. Marcum, his Assistant Director for Energy and Natural Resources, served as the Alternate U.S. Representative. Questions should be referred to the Office of Science and Technology Policy. (395-6202)

#### NATIONAL SECURITY COUNCIL

ACTION

March 24, 1983

MEMORANDUM FOR WILLIAM P. CLARK

FROM:

HENRY NAU BN

SUBJECT:

Press Announcement of Versailles Summit

Technology Report

Together with the State Department and the Office of Science and Technology Policy, we have prepared the attached press release on the publication of the technology report commissioned by the Versailles Economic Summit. It should be forwarded immediately to Darman's office for release at Noon, Friday, March 25, 1983. A memo to Darman to that effect is at Tab I. All Summit countries are releasing the report simultaneously tomorrow.

Bob Sims concurs. State and OSTP have cleared.

#### RECOMMENDATION

That you sign the memo to Darman at Tab II.

Approve

Disapprove

Attachments

Tab I - Press Release

Tab II - Memo to Darman

# National Security Council The White House

1855p MAR 2 4 1983

Package # 1986

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter			$\mathcal{N}$
<b>Bud McFarlane</b>		,	
Jacque Hill			
Judge Clark			
John Poindexter			
Staff Secretary	2		1983
Sit Room			MAR 2
	2		
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cc: VP Meese	Baker D	eaver Othe	er
	COMMENT	s	

RECEIVED 25 MAR 83 09

DARMAN, R FROM CLARK TO

DOCDATE 24 MAR 83

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TECHNOLOGY TRANSFERS

MEDIA

SUBJECT: PRESS ANNOUNCEMENT OF VERSAILLES SUMMIT TECHNOLOGY RPT

DUE: STATUS C FILES WH ACTION: CLARK SGD MEMO FOR ACTION FOR CONCURRENCE FOR INFO NAU SIMS

COMMENTS

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ID	Document Type	
	Document Description	

No of Doc Date pages

Restrictions

244089 LETTER

1 2/12/1982

**B**1

RODRIC BRAITHWAITE TO BOB [HORMATS]

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244090 LETTER

2 ND **B**1

SIR ROBERT ARMSTRONG TO JACQUES ATTALI, RE: VERSAILLES ECONOMIC SUMMIT

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ID	Document Type	No of Doc Date	Restric-
	Document Description	pages	tions

244091 LETTER

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**B**1

SIR ROBERT ARMSTRONG TO JACQUES ATTALI, RE: VERSAILLES ECONOMIC SUMMIT

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CONFIDENTIAL SECTION Ø1 OF Ø4 ROME Ø3869

EXDIS FOR HORMATS E. O. 12065: RDS-1 2/13/02 (BRIDGES, PETER S.) OR-M OCON, TAGS: ECIN, IT PREPARATIONS FOR VERSAILLES ECONOMIC SUMMIT SUBJECT:

- CONFIDENTIAL ENTIRE TEXT.
- DIPLOMATIC ADVISOR TO PRIME MINISTER, SERGIO BERLINGUER, GAVE US FEBRUARY 13 FOR TRANSMITTAL TO MR. HORMATS THE FOLLOWING LETTER. BEGIN TEXT: DEAR ROBERT,

I WAS DELIGHTED TO HEAR, FROM YOUR LETTER OF 2ND FEBRUARY, THAT YOU HAVE TAKEN MIKE RASHISH'S PLACE AS THE PERSONAL REPRESENTATIVE OF THE PRESIDENT OF THE UNITED STATES FOR THE PREPARATION OF THE VERSAILLES SUMMIT.

- I LOOK FORWARD TO SEEING YOU AT THE END OF THE MONTH IN PARIS AND TO WORKING WITH YOU.
- I ENCLOSE COPY OF A MESSAGE I HAVE JUST SENT JACQUES ATTALI ON YOUR PROPOSAL AS TO THE SIZE OF DELEGATIONS AT OUR PREPARATORY MEETINGS.
- I ALSO ENCLOSE COPY OF ANOTHER LETTER TO JACQUES ATTALI WITH SOME THOUGHTS ON THE ECONOMIC ISSUES AND ON THE PAPERS WHICH COULD BE PREPARED FOR THE VERSAILLES SUMMIT.

WITH MY BEST PERSONAL REGARDS,

YOURS SINCERELY. /S/ SERGIO BERLINGUER

END TEXT.

- TEXT OF ATTACHED BERLINGUER LETTER TO ATTALI ON SIZE OF DELEGATIONS:
- I WISH FIRST OF ALL TO THANK YOU FOR YOUR LETTER OF FEBRUARY 8TH, WITH WHICH YOU HAVE KINDLY CONFIRMED US THE DATES OF OUR NEXT PREPARATORY MEETING.
- AS TO THE QUESTION RAISED BY ROBERT HORMATS IN HIS LETTER OF FEBRUARY 2ND, I.E. THE QUESTION OF THE SIZE OF

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DELEGATIONS AT OUR PREPARATORY MEETINGS, MY PERSONAL OPINION IS THAT, WHILE WE CAN CERTAINLY TALK ABOUT IT ON THE 27TH-28TH FEBRUARY IN VIEW OF FUTURE MEETINGS, IT WOULD BE ADVISABLE SO FAR AS OUR NEXT MEETING IS CONCERNED TO CONFIRM THE DECISION TAKEN LAST DECEMBER. THIS IN ACCORDANCE WITH THE WISH EXPRESSED BY OUR HEADS OF STATE AND GOVERNMENT AT THE FINAL SESSION OF THE OTTAWA SUMMIT FOR REDUCING THE RISK OF BUREAUCRATISATION IN THE PREPARATION OF FUTURE SUMMITS.

- NATURALLY, ALSO I WOULD NOT HAVE ANY GREAT OBJECTION TO ACCEPT WHAT ROBERT HORMATS HAS SUGGESTED IF IT EMERGED AS THE WISH OF THE MAJORITY OF OUR COLLEAGUES. SHOULD THIS BE THE CASE, I THINK HOWEVER THAT SUCH A SOLUTION MIGHT NOT BE NECESSARY FOR THE FEBRUARY MEETING, GIVEN THE STILL EARLY STAGE OF THE PREPARATORY WORK.

- I AM SENDING COPIES OF THIS LETTER TO THE OTHER PERSONAL REPRESENTATIVES.

LOOKING FORWARD TO SEEING YOU VERY SOON,

YOURS, /S/ SERGIO

END TEXT.

4. TEXT OF ATTACHED BERLINGUER LETTER TO ATTALI ON ISSUES AND PAPERS:

- DURING THE MEETING OF THE PERSONAL REPRESENTATIVES HELD LAST DECEMBER AT THE CELLE SAINT-CLOUD, IT WAS AGREED, IN LIGHT OF THE EXCHANGE OF VIEWS THAT WE HAD ON THAT OCCASION, THAT A FURTHER REFLECTION WAS TO BE MADE BY US ON THE ECONOMIC ISSUES TO WHICH COULD BE DEVOTED, DURING THE NEXT VERSAILLES SUMMIT, SPECIAL ATTENTION BY THE HEADS OF STATE OR GOVERNMENT. THIS REFLECTION WE AGREED TO PUT DOWN INTO WRITING.

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CONFIDENTIAL SECTION 02 OF 04 ROME 03869

I THINK THAT, IN FORMULATING OUR VIEWS, TWO KINDS OF CONSIDERATIONS REGARDING THIS OUGHT TO BE KEPT IN MIND; THE OBJECTIVES THAT, IN OUR OPINION, SHOULD BE ACHIEVED AT VERSAILLES, AND THE PRESENT INTERNATIONAL ECONOMIC SITUATION.

- AS REGARDS THE FORMER, AS IT WILL BE RECALLED, AT THE OTTAWA SUMMIT OUR LEADERS RECOGNIZED AS THE PRIMARY CHALLENGE THE TASK OF REVITALIZING THE ECONOMIES OF THE INDUSTRIAL DEMOCRACIES, WITH THE VIEW TOWARDS MEETING THE NEEDS OF OUR PEOPLES AND OF STRENGTHENING WORLD WELL-BEING. THIS GOAL MAINTAINS ALL OF ITS SOUNDNESS, AT A TIME WHEN THE DANGEROUS CONSEQUENCES OF AN ENDURING PRODUCTION STAGNATION ARE BEING FELT, ESPECIALLY IN THE EMPLOYMENT SECTOR.

AS TO THE WORLD ECONOMIC SITUATION, ITS OVERALL PICTURE CONTINUES TO GIVE REASON FOR SERIOUS AND ALARMED THE SLOW RATE OF ECONOMIC GROWTH REMAINS A KEY FEATURE OF THE INTERNATIONAL SITUATION AND OUTLOOK. MORECVER, IN MOST INDUSTRIALIZED COUNTRIES INFLATIONARY PRESSURES ARE STILL STRONG, AND UNEMPLOYMENT HAS REACHED RECORD POST-WAR LEVELS. ON THE OTHER HAND, THE MARKED VIABILITY OF EXCHANGE RATES, LARGELY DEPENDENT ON THE HIGH INTEREST RATES PREVAILING IN THE UNITED STATES, AND THE IMBALANCES IN EXTERNAL-ACCOUNT POSITIONS OF MANY COUNTRIES CAUSE UNCERTAINTY AND INSTABILITY ON CURRENCY MARKETS. AS A CONSEQUENCE OF THESE PHENOMENA, GROWTH IN WORLD TRADE VOLUME IS PROJECTED TO REMAIN AT UNSATISFACTORY RATES, WHICH ANYWAY APPEAR TO BE INADEQUATE TO FROMOTING THE FURTHER EXPANSION OF THE SOCIAL, AND TECHNOLOGICAL PROGRESS THAT WE HAVE EXPERIENCED OVER THE PAST THIRTY YEARS.

- AGAINST THIS BACKGROUND, AS I SAID IN OUR DECEMBER MEETING, I BELIEVE THAT THE HEADS OF STATE AND GOVERNMENT DUGHT TO HAVE IN VERSAILLES A COMPLETE AND EXHAUSTIVE DISCUSSION EXTENDING OVER THE WHOLE SET OF ECONOMIC PROBLEMS AND OVER ALL SECTORS OF THE CRISIS. I ALSO REMARKED THAT, AFTER OTTAWA - WHICH FOR SOME OF OUR LEADERS FORMED THE FIRST OCCASION FOR THEIR MEETING, LETTING THEM BECCME BETTER ACQUAINTED ONE WITH ANOTHER - IT SEEMED NECESSARY TO ME THAT AT VERSAILLES THE HEADS OF STATE OR GOVERNMENT SHOULD MAKE PROGRESS, SHOULD, THAT IS, ACHIEVE SOME CONCRETE RESULT IN IDENTIFYING CONCERTED

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SOLUTIONS TO COMMON PROBLEMS. SO AS TO PROVIDE A TANGIBLE DEMONSTRATION OF THE COHESION EXISTING AMONG OUR COUNTRIES. THIS, IF I AM NOT MISTAKEN, HAS ALWAYS BEEN THE BASIC REASON FOR SUMMIT MEETINGS. AND THIS IS WHY I SUGGESTED THAT, ON THE VERSAILLES AGENDA, THERE BE CONFIRMED THE THEMES THAT HAVE TRADITIONALLY BEEN THE SUBJECT OF DISCUSSION, EVEN THOUGH, NATURALLY, MODULATED BY THE PRIORITIES SUGGESTED BY THEIR DEGREE OF IMPORTANCE AND URGENCY.

- IN MY OPINION THESE THEMES OUGHT TO BE DEALT WITH ON THEIR MERITS, BY EXAMINING THEIR SPECIFIC ASPECTS AND THE ALTERNATIVES AVAILABLE FOR PROVIDING CONCERTED SOLUTIONS TO THEM.
- ANYWAY, THERE CAN BE NO DOUBT THAT THE CLOSE SECTORIAL INTERRELATIONS AND THE STRUCTURAL FACTORS LYING AT THE ROOTS OF THE PRESENT DIFFICULT ECONOMIC SITUATION REQUIRES A REVIEW, THAT IS BOTH OVERALL IN SCOPE AND COORDINATED, OF THE MAJOR PROBLEMS OUR COUNTRIES ARE CALLED UPON TO FACE. IN THIS SENSE, I BELIEVE THAT THE SEARCH FOR A UNIFYING THEME FOR THE VERSAILLES SUMMIT MEETING DISCUSSION IS APPROPRIATE. IN MY OPINION, WE SHOULD THEREFORE HASK FO THE PRIMARY OBJECTIVE, SET IN OTTAWA, OF REVITALIZING OUR ECONOMIES, AND ANALYSING, THEREFORE, WHAT THE MEANS AND CONDITIONS FOR THEIR COORDINATED REALIZATION ARE.
- THE REVITALIZATION OF OUR ECONOMIES IMPLIES A WHOLE SET OF ACTIVITIES, SUCH AS THE RATIONALIZING OF PRODUCTION AND THE MODERNIZING OF INDUSTRIAL PLANT. THERE IS NO DOUBT THAT THE KEY ELEMENT LIES IN THE GROWING REALIZATION OF TECHNOLOGICAL INNOVATION IN OUR ECONOMIC SYSTEMS. IT OUR TASK TO CONSIDER CAREFULLY THE GLOBAL IMPLICATIONS OF THIS PHENOMENON, AND ITS IMPACT ON A WIDE RANGE OF ECONOMIC ACTIVITIES AND ON UNEMPLOYMENT. BUT I DEEM IT NECESSARY AS WELL TO TAKE INTO ACCOUNT ALL THE FACTORS

WHICH DIRECTLY OR INDIRECTLY AFFECT PROGRAMS OF TECHNO-LOGICAL INNOVATION. I REFER PARTICULARLY TO THE INTERRELATIONSHIPS EXISTING BETWEEN MICRO AND MACRO-ECONOMIC POLICIES, BETWEEN STRATEGIES OF ECONOMIC DEVELOPMENT, INVESTMENT DECISION, EXCHANGE-RATE FLUCTUATIONS, AND FLOWS OF TRADE AND OF CAPITAL. THESE INTERRELATIONSHIPS, WHICH TO A CONSIDERABLE EXTENT ARE BEYOND THE CONTROL OF INDIVIDUAL GOVERNMENTS, URGE

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CONFIDENTIAL SECTION 03 OF 04 ROME 03869

EXDIS COORDINATED APPROACHES THAT PUT MORE TO ADVANTAGE AND STRENGTHEN NATIONAL EFFORTS, BY ELIMINATING OR REDUCING TO A MINIMUM ELEMENTS OF CONFLICT AND FRICTION.

- I AM THEN, RATHER, INCLINED TO AGREE WITH YOUR PROPOSAL TO CHOOSE "TECHNOLOGY AND ITS IMPACT ON ECONOMIC ACTIVITY AND UNEMPLOYMENT" AS ONE OF THE CENTRAL OF THE VERSAILLES SUMMIT. ALTHOUGH I AM OPEN TO CONSIDERING HOW THIS THEME MIGHT BE FORMULATED ON THE AGENDA, AND WE SHALL SPEAK OF THIS ANYWAY DURING THE NEXT PREPARATORY MEETING, I AM CONVINCED THAT ITS IN-DEPTH TREATMENT BY THE HEADS OF STATE AND GOVERNMENT WILL PERMIT BRINGING INTO FOCUS THE CRUCIAL PROBLEMS INVOLVED IN A TRUE STRATEGY FOR CONCERTED ACTION. I DO NOT BELIEVE THAT THE DIVERSITY, RELATIVELY SPEAKING, OF SOCIO-ECONOMIC CONDITIONS EXISTING IN OUR COUNTRIES, THE PHILOSOPHIES, IN SOME WAYS DIFFERENT, INSPIRING OUR VARIOUS GOVERNMENTS' ECONOMIC POLICIES, CAN FORM A SERIOUS OBSTACLE TO THE WORKING-OUT OF A CONCERTED STRATEGY.
- OUR COUNTRIES NOT ONLY HAVE A COMMON INTEREST -NAMELY THAT OF FINDING MEANS FOR ADJUSTING THEIR ECONOMIES TO EMERGING INTERNATIONAL REALITIES AND TO NEW TRENDS IN GLOBAL DEMAND - BUT SHARE AS WELL THE SAME BASIC GOAL: TO DEMONSTRATE THE SUPERIORITY OF THE INDUSTRIAL: SOCIETIES DEVELOPMENT MODEL, AND, IN THE FINAL ANALYSIS, TO DEFEND THE VALUES OF WESTERN CIVILIZATION. ACTUALLY, IT IS A WIDELY-SHARED CONVICTION THAT, IF THE COLLECTIVE EFFORTS OF OUR COUNTRIES DO NOT SHOW THEMSELVES ABLE TO MASTER THE DUAL PROBLEMS OF INFLATION AND UNEMPLOYMENT, THE ENSUING MISTRUST AND UNREST - ESPECIALLY AMONG THE YOUNG - COULD CREATE DANGEROUS TENSIONS IN THE SOCIAL FABRIC OF THE INDUSTRIAL DEMOCRACIES.
- I THINK WE CANNOT RUN THE RISK OF UNDERESTIMATING THE REAL DANGER THAT ECONOMIC DISTRESS POSES TO THE INSTITUTIONS OF THE FREE NATIONS OF THE WEST.
- I ALSO THINK THAT AS I BESIDES THIS CENTRAL THEME, MENTIONED AT OUR CELLE SAINT-CLOUD MEETING - AMONG THE THEMES DESERVING OF A MORE IN-DEPTH DISCUSSION AT THE VERSAILLES SUMMIT THE NORTH-SOUTH DIALOGUE OUGHT TO BE INCLUDED, BOTH FROM THE PERSPECTIVE OF GLOBAL NEGOTIATIONS, AND TO PROVIDE THE NEEDED IMPULSE TOWARDS SPECIFIC ACTION

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IN SECTORS HAVING PRIORITY IMPORTANCE. I AM THINKING ESPECIALLY OF ENERGY AND THE STRUGGLE AGAINST WORLD HUNGER.

- A PAPER COULD BE PREPARED TOO ON THE RELATIONS REGARD-ING NORTH-SOUTH COOPERATION, WHICH WOULD ANALYZE THE ECONOMIC ASPECTS AND POINT OUT IN PARTICULAR ITS POLITICAL DIMENSION.

- AFTER THE OTTAWA AND THE CANCUN SUMMITS, A REFLECTION SEEMS HIGHLY SUITABLE, WHICH WOULD ATTEMPT TO PROPOSE A NEW SENSE OF DIRECTION FOR OUR RELATIONS WITH THE THIRD-WORLD COUNTRIES, WHOSE ROLE IS BOUND TO TAKE ON GROWING IMPORTANCE IN OVERALL WORLD EQUILLIBRIUM.

done Carum

THE ANALYSIS MUST PERMIT SINGLING OUT THE OPTIONS RELATIONS, AND MUST PERMIT THE FORMULATING OF EVALUATIONS OF THE CONTRIBUTION THAT A MORE HARMONIOUS ECONOMIC COOPERATION WITH THE EMERGING NATIONS CAN PROVIDE TO THE STRENGTHENING OF WORLD STABILITY.

- TODAY, THE "SOUTH" IS STILL WIDELY CONCEIVED OF IN TERMS OF EAST-WEST COMPETITION. IT SHOULD BE ASKED IF THIS CONCEPTION IS COMPATIBLE WITH THE AUTONOMOUS ROLE THAT THE THIRD WORLD PLAYS, AND THAT IN FUTURE IT WILL BE STILL MORE CALLED UPON TO PLAY, IN THE PEACEFUL DEVELOPMENT OF THE RELATIONSHIP OF INTERNATIONAL COOPERATION.

- HOWEVER, IT REMAINS UNDERSTOOD THAT THE EVALUATIONS TO BE FORMULATED MAY IN NO CASE BIND THE COUNTRY OR COUNTRIES TO WHICH THE TASK OF PREPARING THE DOCUMENT IS GIVEN OVER. THESE EVALUATIONS WOULD ONLY FORM A BASIS FOR DISCUSSION FOR OUR HEADS OF STATE OR GOVERNMENT.
- AS REGARDS THE OTHER THEMES, THE TRADITIONAL ONES, SO TO SAY, I SHOULD PROPOSE THAT THEY REMAIN INCLUDED,

ALONG WITH MACRO-ECONOMICS, THE FINANCIAL SITUATION, INTERNATIONAL TRADE, AND ENERGY. AS REGARDS ALL THESE SUBJECTS, HOWEVER, THE DISCUSSION OUGHT TO BE CARRED ON AS A COMPLEMENT TO THE CONSIDERATION OF THE CENTRAL THEME OF TECHNOLOGY AND ITS RELATED MACRO-ECONOMIC ASPECTS.

COULD TURN ON AN EXAMINATION OF THE INTERNATIONAL BT

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PAGE Ø1 OF Ø2 RCME 3869 EOB859 ANØØ9Ø38

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EXDIS MONETARY SYSTEM, AND ON MEASURES THAT COULD IMPROVE ITS FUNCTION, BY ASSURING GREATER STABILITY IN CURRENCY-EXCHANGE MARKETS. I SHOULD LIKE TO NOTE IN THIS REGARD THE PROPOSAL SET FORTH BY ITALY AT THE OTTAWA SUMMIT, WHICH WAS ONLY PARTIALLY CONTAINED IN THE FINAL COMMUNIQUE, AND URGENTLY REQUESTED SOME FORM OF COORDINATED INTERVENTION IN THE CURRENCY-EXCHANGE MARKETS.

REGARDING WORLD TRADE, IT IS IMPORTANT THAT THERE EMERGE FROM VERSAILLES A CLEAR RE-STATEMENT OF THE COMMON WILL TO MAINTAIN AN OPEN AND MILTILATERAL TRADING SYSTEM. TRADITIONALLY, SUMMIT CONFERENCES HAVE PLAYED A DECISIVE ROLE IN RESISTING PROTECTIONIST PRESSURES AND RESTRICTIVE MEASURES. THE VERSAILLES SUMMIT SHOULD CONSTITUTE ONE MORE OCCASION FOR CONTINUING THIS LINE OF ACTION. IN THIS DIRECTION, FULL SUPPORT BY THE SEVEN OF THE GATT MINISTERIAL CONFERENCE SCHEDULED FOR NEXT NOVEMBER 1000LD BE EXPRESSED. COULD BE EXPRESSED.

NATURALLY, NOT TO BE IGNORED ARE THE CAUSES LYING AT THE ROOT OF THE STRESSES IN THE TRADE SECTOR, EFFORT IN COMMON MUST TEND TOWARDS REMOVING THESE CAUSES AND TOWARDS FAVOURING ORDERLY MARKET CONDITIONS, AVOIDING ERRATIC FLOWS THAT MAKE THE PROCESSES OF INDUSTRIAL RESTRUCTURING THOUGH NECESSARY - MORE DIFFICULT AND SOCIALLY PAINFUL.

- FINALLY, AS REGARDS ENERGY, THE COMMON DETERMINATION SHOULD BE CONFIRMED, TO CONTINUE ALONG THE PATH MARKED OUT IN VENICE AND CONFIRMED IN OTTAWA, OF THE SAVING OF ENERGY AND THE STRENGTHENING OF ALTERNATIVE SOURCES, WITH THE AIM OF PROGRESSIVELY WEAKENING THE LINK BETWEEN ECONOMIC GROWTH AND OIL CONSUMPTION. IT IS, HOWEVER, TO BE SUPPOSED THAT, THANKS TO THE ACTIVITIES OF THE HIGH LEVEL MONITORING GROUP, WHICH WE MUST ENDORSE, AND TO THE FAVOURABLE CONDITIONS NOW PREVAILING IN THE OIL MARKET, THE STUDY OF THE ENERGY THEME SHOULD NOT TAKE UP MUCH OF THE DISCUSSION TIME OF THE HEADS OF STATE AND GOVERNMENT. IT SEES WITHOUT SAYING THAT IN VERSAILLES TOO ANY EXPRESSION OF COMPLACENCY ABOUT THE OIL SITUATION SHOULD BE AVOIDED, WHICH WOULD SURELY BE A MISTAKEN AND UNJUSTIFIED SIGNAL.

SO MUCH FOR THE MAIN ECONOMIC THEMES. AS TO THE POLITICAL CNES, I THINK IT MIGHT BE BETTER TO TALK ABOUT THEM NEARER THE TIME OF THE VERSAILLES SUMMIT AND IN LIGHT

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## NATIONAL SECURITY COUNCIL MESSAGE CENTER

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OF THE EVOLUTION OF THE INTERNATIONAL SITUATION. AMONG THEM A SUBJECT OF DISCUSSION COULD CERTAINLY BE EAST-WEST RELATION, BOTH IN ITS POLITICAL AND ECONOMIC ASPECTS.

- I AM SENDING COPIES OF THIS LETTER TO THE OTHER PERSONAL REPRESENTATIVES.

YOURS SINCERELY, /S/ SERGIO

5. DEPARTMENT REPEAT AS DESIRED. RABB

EXDIS

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# THE WHITE HOUSE WASHINGTON

To: Ed Heese

Pe: 1. Versailles Summit Lunch Briefing

2. Law of the Sea Issue

Mike Deaver's office called and told my secretary to tell me do not come to the Versailles Summit Lunch Briefing. Haybe we can discuss later.

Attached is the revised NSC proposed Presidential guidance on the Law of the Seas situation. You should raise this issue at the lunch if you want it discussed.

EDWIN L. HARPER

State Waiver LAW OF THE SEA

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#### I. ISSUE

How to ensure further cooperation with our major allies to FG006-12 protect US Law of the Sea and ocean interests in this key phase.

#### II. ESSENTIAL FACTS

Last January you announced that we would resume participation in the UN Law of the Sea (LOS) conference, stressing that we would seek changes to meet six broad objectives for the deep seabed regime. The conference made only modest improvements in the treaty in March-April. The G-77 was obdurate and we did not get changes meeting your objectives. Thus, while most provisions of the treaty are acceptable, major parts of the deep seabed regime remain contrary to US interests.

At the end of the conference on April 30 we called for a vote rather than allow a consensus on adopting the treaty. The vote was 130 for adoption (including France and Japan); 4 against (US, Israel, Turkey, and Venezuela); and 17 abstentions (including the UK, FRG, Italy, Belgium, Soviet Union and other eastern European countries). The latter were abstaining for reasons different than ours. But our allies' abstentions were important and as far as we expected they could go at this time.

We are actively reviewing next steps to protect US LOS and ocean interests, with a completion date in mid-June. We have continued to press to conclude a Reciprocating States Agreement for seabed mining with our key allies (UK, FRG, France and Japan) but reactions are cautious as they review their options and will want to keep all of them open (including that of adhering to the LOS treaty at some future time after signature later this year).

Cooperation with our major allies on LOS and a Reciprocating States Agreement is critical. The UK and FRG are closer to us in their positions, while France and Japan are farther away. You wrote Thatcher, Schmidt, Mitterand and Suzuki on LOS before the conference and will want to remind them of the interest and importance the US attaches to these issues.

#### III. TALKING POINTS

Criticism: Will the US sign the LOS treaty?

Responses: We are reviewing the convention but are disappointed at the outcome of the negotiations and the conference's failure to correct major problems in the deep seabed regime.

We appreciated your cooperation. Cooperation between us now in this area is even more important. We need to work together and consult before making commitments or major moves.

We also consider it important to conclude a Reciprocating States Agreement for seabed mining soon and hope you will be able to do so.

STATE'S ORABT

#### I. ISSUE:

The Third United Nations Conference on the Law of the Sea concluded its eleventh session on April 30, 1982 with adoption of a comprehensive convention. The United States was unable to negotiate changes needed to make the convention consistent with your six objectives. An interagency task force is currently reviewing our oceans policy objectives and the convention and will be reporting to you on its conclusions to determine whether it can recommend that the US become a signatory to the treaty.

### II. ESSENTIAL FACTS:

After an eleven month interagency review, you announced on January 29 your decision to resume United States participation in the Law of the Sea Conference. You indicated your commitment to the multilateral treaty process for reaching an agreement on the law of the sea, but that major elements of the deep seabed mining regime in the Draft Convention were unacceptable. In addition, you noted six broad areas in which improvement was needed so as to enable the US to sign the treaty and actively support ratification by the US Senate.

Despite herculean efforts to reach agreement, the US was forced to vote against adoption of the Convention. G-77 obduracy precluded compromises on key seabed mining issues. During this last Conference session, the United States delegation made every effort to cooperate with other delegations and to be receptive to alternatives to our proposals, consistent with your objectives. No substantive negotiations took place on our proposals until the final weeks of the session. The US and other industrialized nations worked closely together at the Conference due to their commonality of purpose in achieving an acceptable, comprehensive Law of the Sea Treaty.

#### III. TALKING POINTS:

CRITICISM: -- Will the United States sign the LOS treaty?

#### RESPONSE:

- -- The US is disappointed by the outcome of the LOS negotiations. We hoped for a comprehensive treaty acceptable to all nations.
- -- We are actively reviewing the final convention text in the light of our larger oceans policy objectives. A decision on signature of the treaty will flow from that review.
- -- The US has greatly appreciated the support and constructive efforts of the Law of the Sea delegations of other western industrialized nations.
- -- We will closely monitor LOS developments but in the meantime we must sign an RSA to give industry a basis for planning seabed mining.

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