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# WITHDRAWAL SHEET

## Ronald Reagan Library

**Collection Name** MCMINN, DOUGLAS: FILES

**Withdrawer**

SMF 2/15/2008

**File Folder** FRANCE-INTERNAL US PREPARATIONS (5)

**FOIA**

S2007-081

**Box Number** 13

NOUZILLE

165

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
50835	LETTER	DRAFT US LETTER TO ATTALI <i>R 11/1/2010 M081/1</i>	11	ND	B1
50831	PAPER	DRAFT RE ENERGY SECURITY <i>R 4/23/2010 NLRRM2007-081</i>	2	ND	B1
50832	PAPER	PAGE 5 OF DRAFT <i>R 4/23/2010 NLRRM2007-081</i>	1	ND	B1
50833	PAPER	NAU TO CLARK RE HAIG'S MEMO RE SENDING A SPECIAL EMISSARY TO EUROPE <i>R 4/29/2010 NLRRM2007-081</i>	1	3/4/1982	B1
50834	MEMO	HAIG TO THE PRESIDENT RE US-EUROPEAN ECONOMIC RELATIONS <i>R 4/23/2010 NLRRM2007-081</i>	2	2/24/1982	B1

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

*File  
France  
Summit*

FEB 12 1982

MEMORANDUM TO: Robert Hormats  
FROM: Beryl W. Sprinkel *BWS*  
SUBJECT: U.S. Strategy for the Versailles Summit

Following up on our discussions yesterday, I am enclosing both my comments on the draft letter to Attali on themes for the Versailles Summit, and some initial thoughts on a U.S. initiative for coordination of macroeconomic goals. My thoughts on Henry Nau's strategy paper are detailed in this note.

I have sensed in others of our group considerable fear of another Summit discussion of macroeconomic issues and policies. The strategy reflected in Henry Nau's draft paper would involve throwing up a smoke screen to obscure the topic, by diverting attention to other issues. I feel this strategy is both unrealistic and overly ambitious. It is inevitable that we will have to address foreign criticisms of our macroeconomic policies. The President is committed to his program for economic recovery, and we believe strongly that it will succeed. Therefore, I see no reason to duck the issue, even if that were possible -- which it is not. ✓

I agree that there are a few specific initiatives that we should pursue at Versailles. Our investment initiatives, and some of our ideas in the trade area, are in that category. And from our point of view, it is obviously of primary importance that the Summit take up East-West economic issues, including the Soviet pipeline. But some others of the proposed initiatives are not worth the effort (e.g. "Structural Adjustment") and in some instances conflict with the Administration's policy and budgetary decisions (e.g. most of the "Energy Security" initiative).

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Authority *Hr Straw to Leonard 8/22/06*  
BY *dmf* NARA, Date *2/15/05*

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- 2 -

Moreover, there is no purpose in straining for a grand theme in order to try to make this Summit a "milestone" in Western economic relations. I thought it had been agreed by most of us that public expectations of Summits as decision points should be lowered and that the stress should be on discussion and improving mutual understanding and cohesion. In any case, Mitterand will try to be star of the Versailles show, and we should keep in mind that next year's Summit will be held in the United States.

I will be transmitting separately detailed comments on the various theme papers next week. My comments on all of these have a strong common core: the U.S. already has a coherent and consistent approach to international economic issues. It is a free-market oriented approach, based on minimal government interference with private market activity. We should not depart from this tenet as we participate in the Summit preparations.

cc: Henry Nau  
Enclosures

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Coordination of Macroeconomic Goals

Macroeconomic issues will be of primary importance at the Versailles Summit. Foreign economies are just beginning to recover from a prolonged period of slow growth, and unemployment rates in most countries will still be rising from current historically high levels at the time of the Summit. The dollar has recently been strong on exchange markets; it could strengthen further between now and June. EMS pressures caused by inflationary French policies, and domestic political agitation over weak European currencies, may intensify.

In this climate, political, strategic, and economic considerations suggest that we will need to emphasize the positive. The public posture on economic issues at Versailles should focus on our community of interests: it should emphasize broad areas of agreement and downplay specific disagreements. To help set this kind of tone, the renewal of the Summit cycle in France gives the opportunity to recall the positive spirit of first Summit at Rambouillet.

*That's precisely the strategy*

At Rambouillet the setting was very similar. Western leaders met at a time of slow growth, rising unemployment, high inflation, and concern over exchange market developments. The response then was one of unity, and can be again. Paragraph 5 of the Rambouillet Summit Communique is still applicable:

"The most urgent task is to assure the recovery of our economies and to reduce the waste of human resources involved in unemployment. In consolidating the recovery, it is essential to avoid unleashing additional inflationary forces which would threaten its success. The objective must be growth that is steady and lasting. In this way, consumer and business confidence will be restored."


Against this background, the President and his economic advisors will want to advocate and defend the President's strategy for economic recovery and non-inflationary growth. The others may perceive us as being on the defensive. We may therefore wish to take an offensive tack: we could take this opportunity to put forth a positive program for cooperation and consultation on economic policies and coordination of economic goals. One cannot be very sanguine about the practical impact of such an initiative on countries' policies. However, strategically, it would move us out of a defensive posture, and return us to one of offering clear vision and leadership to our allies on economic matters.

#### U.S. Initiative

All the Summit countries have essentially the same long-run economic goals: vigorous non-inflationary growth, reduced unemployment, and greater stability of exchange rates.

These economic goals are obviously interrelated. The trade and financial linkages of an interdependent world severely limit any country's ability to insulate itself from the impact of economic policies and performance abroad. For instance, it is not possible for any one country to experience a vastly higher inflation rate than that of its major trading partner and still have a stable exchange rate.

The particular economic policies adopted by each Summit nation must reflect its own unique historical, cultural, and institutional characteristics. National sovereignty with respect to economic policy is, and will continue to be, a basic feature of the present international economic system. But we must remain sensitive



to the consequences of our policy differences. If we really wish to have more stable exchange markets, then we must recognize that this implies limits on how far we can differ.

This was recognized in Paragraph 11 of the Rambouillet Communique:

"With regard to monetary problems, we affirm our intention to work for greater stability. This involves efforts to restore greater stability in underlying economic and financial conditions in the world economy."

At the Summit, we should discuss this issue in terms of the coordination of macroeconomic objectives. We must make it clear that this coordination is aimed at objectives, on which the Summit partners could presumably agree, rather than the specific set of policies by which each country tries to achieve those objectives. Within this framework of coordinating our objectives, we should have meaningful cooperation and consultation on the economic policies we each follow.



Fora for Development and Follow-Up

The fora involved in carrying out this initiative would not be new ones. What would be required is re-energizing existing fora and shifting emphasis. The process of cooperation and consultation on macroeconomic policy takes place in multilateral fora such as the Summit process itself, ongoing discussions in the OECD (the EPC and its major sub-group Working Party 3), Ministerial level meetings in the OECD and elsewhere, and meetings of the IMF Interim Committee, the Article IV consultations, the IMF surveillance process, the G-5, and the G-10. It also takes place in frequent bilateral contacts at all levels.

(NOTE: We do not believe it would be a good idea to attack the EMS directly in this rubric. While there are many grounds



for doing so, little would be gained. It is possible that the process of formulating and targeting on common objectives would in itself tend to generate movement within the EMS toward using more compatible policies as a tool for greater exchange rate stability, rather than just exchange market intervention.)

Treasury/IMA:SBrown  
2/12/82

## US LETTER TO ATTALI ON VERSAILLES SUMMIT

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NLRR M081 #50835

BY KML NARA DATE 11/2/10

I am pleased to take up in this note the topics of the theme and agenda for the Versailles Summit, which each country agreed to address prior to our next meeting on February 27-28.

At Versailles, we begin the second round of annual Economic Summits. These meetings have become invaluable not only as a means of dealing with the priority policy issues confronting the industrialized democracies, but also as a fixed feature of the post-1973 international economic system inspiring confidence in a period of intense change and uncertainty. By meeting together on an annual basis, our leaders project to the world the individual and collective responsibilities of our governments to persevere and enhance the economic prosperity and security of free countries. In this sense, the Economic Summits are much more than economics, even though this remains their <sup>basic</sup> ~~principal~~ subject matter.

The most important function served by the Economic Summits is to allow for a thorough and far-reaching exchange of views among the leaders. This type of exchange enables each leader to gain a better understanding of the broad political and economic perspective from which his or her colleagues are approaching their individual and collective responsibilities. The result may not always be concrete decisions at the Summit. Indeed, the discussion will <sup>often</sup> be more relevant and significant if the leaders do not have to spend a lot of time on negotiation of specific

Nevertheless, the exchange can and does permit  
 the formation of common views, <sup>to be</sup> expressed in the communique  
 and <sup>to</sup> influence the way in which each leader makes  
 decisions once he or she returns home. National policies are  
 better informed as a result of the Summit discussions, even  
 though these policies retain, as they must, their fully independent  
 character.

In the US view, Summits should produce no more or less than this  
 type of broad-based exchange and, where appropriate, agreement.

If they were to reach decisions on <sup>specific</sup> ~~individual~~ issues, they would  
 be resented by countries that do not participate. <sup>At the other extreme,</sup> ~~On the other~~  
~~hand,~~ if these meetings could demonstrate no broad agreement on  
 how the industrial democracies view current world problems and  
 expect to deal with them, they would be viewed as non-substantive  
 and would not produce the confidence or community that the free  
 world expects.

The Versailles Summit takes place at a crucial and perhaps  
 unique time in history. The challenges to both the political  
 and economic fabric of the Western community of nations have  
 never been greater.

Delete  
 →

Insert → paragraph from next page.

<sup>Additionally,</sup> Political discussions at the Summit <sup>help</sup> ~~will~~ define the overall tone  
 and framework for the economic discussions. This is particularly  
 true this year given the NATO Summit which follows two days  
 after Versailles. On political matters, we should seek to  
 consolidate and move forward the consensus that on our

common response to Poland, Afghanistan and broader relations with the Soviet Union. Our purpose is to define the requirements of acceptable relations with the Soviet Union and Warsaw Pact countries in Central Europe and elsewhere in the world. The West cannot conduct business as usual with countries that are violating minimum standards of international conduct for protecting peace and human rights.

Move this paragraph to the previous page.

~~The economic discussions at the Summit bear critically on our common political purposes.~~ The serious economic problems we <sup>presently</sup> face can immobilize our governments and heighten international disputes among us over trade, investment and financial relations. We must cope with these problems with candor and confidence. There is no place for despair. We meet as the major industrial powers of the world, accounting for over 80 percent of the GNP of the OECD. If we display resignation or impatience, how can we hope that others, who are less fortunate than we are, will look to us for leadership?

→ The Versailles Summit ~~therefore~~ must address the immediate problems we face even as it moves us beyond those problems to a new commitment to shape the world economy in the 1980s in positive and mutually advantageous directions. First, it must recognize the damage that could be done to Western economic, political and security interests if economic issues are not satisfactorily resolved. Second, it must lift our sights from the specific problems we face to what we can achieve in our economic relations if we <sup>share</sup> ~~present~~ a more ~~active~~ positive ~~and~~

→ ~~less defensive~~ approach to international economic issues. And finally it should seek to define certain basic themes and directions for Western bilateral and multilateral economic cooperation in the years ahead.

The United States believes that three <sup>broad</sup> themes, in particular are critical for the future course we seek to chart:

-- Multilateral trade relations ~~threatened at the moment~~ <sup>must be preserved against the</sup> ~~by economic recession and protectionism but still~~ <sup>serious current threat of protectionism.</sup> The liberal trading system is responsible for the progress of the world ~~the nucleus of the world economy we have created~~ <sup>economy and is indispensable for all countries, including the</sup> and the hope of all countries, especially to developing ~~nations, for mutually advantageous growth and~~ <sup>developing nations, to reach mutually advantageous growth and</sup> prosperity in the 1980s.

-- energy security promising greater assurance and reliability of energy supply in the face of a changing energy market, slower economic growth and the increasing influence of political forces on world energy trade

← Delete

-- East-West economic relations in an era of strategic and political tension in Central Europe, slower economic growth in the West and a delicate interplay of vulnerability due to high levels of energy trade and hard currency debt.

→ (Insert A from attached page.)

The postwar multilateral trading system stands at a critical threshold. Serious domestic economic problems are propelling countries toward increasingly protectionist policies. These protectionist policies in turn misallocate international resources and lead to further losses of national economic efficiency and

-- The need for meaningful cooperation and consultation on macroeconomic policies in an interdependent world, emphasizing the commonality of our economic aspirations and objectives.

INSERT A

Recent economic events have reminded us forcibly of the high degree of interdependence among our economies. Macroeconomic policy issues will inevitably be of major importance in discussions at Versailles. No doubt our leaders will again want to have a thorough and candid exchange of views on economic policies and trends. But we can do more than that: our nations should commit ourselves to working together better to improve economic performance, in the framework of a common view of our basic economic objectives.

All our countries have essentially the same long-run economic goals: vigorous growth, low inflation, reduced unemployment, and greater stability in foreign exchange markets.

At the Summit, we should discuss this issue in terms of how we can improve our cooperation in the macroeconomic area. This discussion could concentrate on coordination of objectives, rather than the specific set of policies by which each country tries to achieve those objectives.

well being. In the circumstances, the rallying point for postwar trade negotiations, the reduction of tariff barriers, is no longer that relevant. Tariff rates on most manufacturing products are at historically low levels. Non-tariff barriers by contrast represent serious obstacles. Yet experience and consensus in dealing with these barriers in the manufacturing sector or in other sectors such as agriculture, investment and services, are much more limited. We have only begun to establish the principles that apply in this area and thus far have not found a clear and simple <sup>objective</sup> ~~principle~~ such as tariff reductions that is self-evidently in the interest of all.

Thus, there is more at play in international trade relations in 1982 than simply the problems caused by economic recession. There is the more fundamental question of the ~~principles and~~ directions of the future world trading system. After World War II, we found rational, predictable and equitable principles to discipline national policies at the border. Can we now find appropriate international rules to discipline sometimes profound differences in how each country manages its own domestic economy? While we need to insist upon full implementation of the Tokyo Round, we also need to start developing new rules to deal with new problems.

and the rules under which it will operate.

The GATT Ministerial takes place in November of this year. The Summit countries should consider making the political commitment to prepare for and use this Ministerial to begin a process of

*engaging in serious, action-oriented discussion of*



inventorying, analyzing and ~~seriously discussing~~ the new threats and opportunities confronting the international trading system.



-- the problems of investment and all the attendant problems of liberalizing the ~~free~~ movement of capital



-- trade in services and high technology, *which are* critical elements in future economic growth

-- trade with developing countries and the thorny question of safeguards and structural adjustment which must be addressed if we are to open to developing nations the full benefits of the postwar trading system

-- trade in agriculture for the mutual benefit of producers and consumers.



*(Insert B from attached page.)*

*DELETE*

~~Energy security is also a critical element of the changing international economic scene we face. After two shattering oil price shocks, energy markets have stabilized, at least enough to breed the possibility of a false sense of complacency. In truth, we face continuing and even more diverse and difficult threats. After the first oil shock, the West rallied to protect its energy security against oil disruptions primarily in the Persian Gulf. Today the threat of such disruption continues, intensified by Soviet encroachments into the region, intra-regional warfare between Iraq and Iran, and the continuing Arab-Israeli conflict. But other threats have also emerged:~~

~~-- the threat of comparatively lower economic growth, compounded in the short run by declining real oil prices, which undercuts development and investment~~



INSERT B

In our relations with developing countries, we must continue our efforts to formulate a response to the challenge of development which is realistic and suited to contemporary economic realities. Our focus must always be clearly on the importance of mobilizing these countries' own internal productive capacities, rather than on the limited scope for doling out fragments of existing wealth. We want to give further thought to whether or not it might be useful to suggest any specific initiatives in this area for the Versailles Summit. We may want to advance some ideas in this regard at a later date.

in alternative energy sources.

-- The threat of excessive dependence on relatively less flexible supplies of natural gas from potentially unreliable sources -- Soviet Union, OPEC countries, etc.

-- The threat of anti-nuclear sentiment in our democracies which severely impedes the growth of one of our most important sources of future electric power.

There is a need and an opportunity to respond to these broader and more diverse energy challenges. The West should rally to energize cooperation once again in energy security. This time, however, the approach should emphasize various energy sectors (not only oil) should operate through a multilevel approach including domestic and bilateral as well as multilateral initiatives. The Summit countries might consider the broad principles and criteria to guide a new cooperative effort toward energy security in a changing energy market.

DELETE

There is no escape from the change in the political-strategic climate that has affected East-West relations in the wake of Soviet actions in Afghanistan and Poland. The implications of this change for economic relations between East and West is a potentially divisive issue between the United States and its allies. Last year, at the Ottawa Summit, the United States took a clear but carefully differentiated position on this issue. We asserted the fact that economic relations are

inevitably affected and constrained by the nature of broad political and strategic relations between East and West. We further noted that these economic contacts can never serve as substitutes for, or be allowed to undermine, the collective political will of the West to resist the heavy-handed buildup and use of military force by the Soviet Union. In implementing this principle, we recognized the complexity of the problem and the differing economic interests of the allies:

- We called for strengthening significantly controls on strategic exports which has subsequently led to renewed high-level consultations in COCOM.
- We urged prior planning for use of trade controls in contingency situations such as we have subsequently experienced in Poland.
- We asked that greater attention be paid to the issue of leverage and subtle political influence that derives from excessive Western dependence on Soviet exports and markets, particularly in the energy sector.
- We called for greater consultations among Western governments to ensure that we utilized our own economic and financial power vis-a-vis the East in ways that enhance our common goals.

The Summit countries share a substantial degree of consensus in some of these areas ~~and~~ <sup>while</sup> continuing <sup>to</sup> ~~differences~~ in others.

We ~~must~~ <sup>should</sup> build on the excellent results of the high-level COCOM meeting in January. We must continue to work toward complementary and reinforcing economic as well as political actions to

signal disapproval in the strongest possible way of current policies of the Polish government and, as the ultimate source behind these policies, the Soviet Union. We must sort out patiently and prudently our differences on issues of dependence and vulnerability vis-a-vis Soviet energy supplies and markets. And we must continue to monitor and coordinate our policies dealing with financial exposure and further economic assistance to Poland and other governments of Eastern Europe as well as the Soviet Union.

→ The Versailles Summit can be as significant in setting the themes of the 1980s as Rambouillet was in reflecting the financial and energy issues of the 1970s. The United States looks forward to working closely with you and our other partners to ~~make~~ make the

→ this possible. Because of the serious problems we face, it is no time for business as usual in our relations, anymore than in our relations with the East.

Versailles Summit a fruitful contribution to dealing with the serious problems we face.

**B**

Treasury Comments on "Energy Security" Theme Paper

On the attached copy of pages 1-2 of the draft theme paper on "energy security" we have marked a number of changes, designed to limit the paper to statements which are consistent with present U.S. policy and budgetary approaches and decisions. There seems little point in trying to induce a recantation of our basic free-market approach in the name of developing a Versailles Summit initiative.

All that is left after we have put in our changes is a general call on our Summit partners for more complete market-orientation in energy pricing -- including our welcome acceptance of the current period of weak oil prices which has been caused by market forces -- and the exhortation to the Europeans to avoid dependence on Soviet natural gas. Since the Soviet natural gas question is one we will certainly cover in any event under the East-West rubric, it makes sense to us to drop "energy security" as a distinct Summit theme.

For the most part, the material on pages 3-6 and Annex is inconsistent with U.S. policies, or an inaccurate description of U.S. energy policy. We have deleted pages 3-4 and 6, plus the Annex, altogether. Page 5 was retained only to mark down inaccuracies about U.S. energy policy.

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DRAFT

Energy Security Theme Paper

I. Overview

The events of the last decade have illustrated how integral a component energy is to Western economic performance. Achieving economic stability ~~and renewing investor confidence~~ requires a stable and secure energy situation. ~~Yet in this time of relative oil surplus, there is a tendency to be lulled into complacency. There is concern that investments in key alternatives, such as coal and nuclear power, are not being made at sufficient rates to induce the diversified energy base necessary for long term economic stability.~~ Furthermore, a dangerous blind spot <sup>which</sup> has emerged with respect to the security implications of other alternative sources of energy, some of which represent perils equal to that of insecure sources of oil supply.

The current period of relative oil surplus and weak oil prices is a welcome result of market forces acting in response to the rapid oil-price increases of previous years. In order to ensure that market forces continue to induce appropriate demand and supply responses in the future, governments should take this opportunity to remove their remaining impediments to the workings of ~~the~~ energy markets at market prices.

European governments must be disabused of

Energy security in the 1970s focussed primarily on protecting economics from severe oil supply disruptions and on promoting the need for alternatives. Our preparations, most notably in the IEA, arose out of the specific case of the 1973/74 oil embargo. ~~Yet today energy risks have broadened: small oil shortfalls can have disproportionate effects on the overall economy; diversification of energy imports can bring with it new security risks (i.e., European dependence on Soviet gas); and there is concern that conservation gains will be mitigated by falling real oil prices. There is a need for the Allies to reassess their energy security measures - collectively and individually - and take appropriate action to build Western defenses.~~

However, the most successful measures to promote energy security were not the result of collective market interventions or IEA initiatives, but rather the removal by major governments of their energy price controls, and fiscal measures aimed at promoting energy conservation.

~~This paper presumes that the Europeans agree to abandon the Siberian-West European natural gas pipeline in view of the US initiatives embodied in this paper. The US initiatives proposed constitute an "alternatives package" to the pipeline project. Should the Europeans decide to go ahead with the pipeline project, despite US objections, then the focus of the US security initiative would have to be reconsidered.~~

Don't we already know the answers?

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GDS 2/10/82  
R.D. Horvats

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NLRR M07-081 #50831  
BY ON NARA DATE 9/23/18

II. Energy Security Objectives

The major long term objectives in promoting Western energy security should be twofold:

- ~~encourage domestic alternatives so that oil imports can be reduced over time; and~~ *continue movement towards market-oriented energy pricing structures to encourage appropriate domestic energy production and conservation; and*
- diversify energy imports, but not in such a way that just trades off security problems (i.e., European dependence on Soviet gas instead of Middle East oil).

~~The principal means of achieving this balance and therefore a more secure energy base is through~~ the economic pricing of energy, which has proven to be effective in promoting new supplies and encouraging energy efficiency. As other fuels begin to displace oil, however, it is essential that the security implications of these new dependencies be carefully assessed and remedies sought -- especially if imports come from politically unstable or potentially unfriendly sources.

Over the short term energy security <sup>can</sup> be <sup>also</sup> enhanced by an increase in oil and gas stocks, either in terms of inventories or shut in production capacity in OECD surplus countries. High levels of stocks provide ~~an essential~~ *a* cushion of time which allows for more reflection and therefore more prudent decisions by governments during a crisis. Furthermore, if sufficient stocks exist, companies and consumers are less likely to engage in panic spot market buying which in the past has resulted in steep overall price increases. Stocks also have a deterrent effect on producers who may wish to use oil or gas as a political weapon.

~~III. Multilateral Energy Security Initiative~~

~~The IEA Ministerial and Versailles Economic Summit offer an opportunity to expand the concept of energy security and set the framework for a redirection of industrialized countries' energy strategies. The following elements comprise an energy security package which could be considered by Ministers and Heads of State:~~



IV. US Measures to Support International Initiatives

In support of these international efforts, the US might consider initiating a number of domestic measures. In some cases this would require significant policy choices and expenditures, including possible reversal of some recent decisions, that were made purely on domestic policy grounds, without reference to energy security implications. A sample of these measures might include:

*This is not true. All aspects of these decisions were taken into account. The President himself presided over some of the discussions in the CCNRE.*

- Continue to fill the SPR at a healthy rate. *(How could SPR decision not have looked at energy security?)*
- Lend government support to accelerate US coal exports (e.g., include \$35-50 million in the FY 1983 budget for Baltimore Harbor dredging to ensure timely completion of the needed work; support enactment of legislation requiring an effective framework for financing port improvements).

- Impose an oil import fee as an energy security measure. This would create market incentives for further oil back-out, free up some secure oil supplies for European consumption, and raise revenues for energy security measures.

*Can't deal with this issue without decision on windfall profits.*

- Introduce accelerated natural gas decontrol legislation. Decontrol would increase the efficiency of US natural gas use, encourage expanded domestic production and thereby back-out oil and reduce American competition for long-haul (particularly African) LNG supplies.

- Offer to contribute to a major nuclear waste facility. This could alleviate significant US public concerns about nuclear waste buildup and facilitate an expanded nuclear power program.

- *Have Summit make strong call on World Bank to accelerate its efforts to*  
~~Consider means promote energy production in developing countries, by such means as increasing the multiplier effect of World Bank energy lending.~~

V. Other Summit Country Initiatives

Other Summit countries have considerable scope for improving their energy policies and security. The attached Annex includes a short check list of key energy policy and security deficiencies in Summit countries as reviewed by the IEA Group on Long Term Cooperation. In general, other Summit countries should be encouraged to:

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NLRR 007-081 id 50832

BY CU NARA DATE 4/23/10

Treasury Staff Comments on "Trade Overview"  
for Versailles Summit Preparations

-- Canadian economic nationalism is a problem for many European countries as well as the United States -- thus the issue has broader appeal than indicated in paper.

-- Last paragraph on page 1 should be redrafted. Might suggest following:

"While our Summit preparations should focus on long-term issues of common concern, rather than volatile current confrontations, our concerns and actions on these issues are clearly related to the current concerns discussed above. They are exemplary of general long-term issues we may wish to have the Summit address, such as subsidies, and investment issue like excessive nationalization."

-- We want the Summit to consider a number of investment issues -- not just "trade-related investment."

-- Middle paragraph and tick points on page 2, listing "other possible priorities," should be deleted. These issues are already treated in existing fora. Adding another layer would be a bureaucratic and jurisdictional nightmare.

(Annotated copy of paper is attached)

ADVANCED TECHNOLOGY FORUM OBJECTIVES

- o to further economic development;
- o to encourage reduction of barriers to trade;
- o to promote the diffusion of advanced technology, embodied in product, services and the knowledge base;
- o to facilitate mutual cooperation among nations and among companies consistent with the need to preserve an environment of constructive competition;
- o ~~to review the status of international development and competition among advanced sectors;~~
- o to examine the nature of government involvement in these sectors and the possibility of resultant economic and trade distortions;

~~o to enable governments to develop long range outlooks, set up mechanisms and develop principles that avert institutional crises situations related to these sectors;~~

~~o to enable governments to act promptly to cope with crises situations, should they arise, in close cooperation and in consultation with trading partners and accordance with previously agreed principles.~~

*Delete - leads to market interference.*

Treasury Staff Comments on "High Technology"  
Paper for Versailles Summit Preparations

This paper is confused/confusing: the reader is left with no idea what the U.S. is trying to accomplish. The reason for this is fairly clear -- the drafter was trying to write a paper giving lip service to free market ideas while proposing interventionist U.S. initiatives. This may be an accurate reflection of the difference of opinion in the trade policy community over what we want to do. The drafter may have in mind going in two directions at once: bashing the Japanese for being too successful at the same time we try to dismantle European restrictions.

We would propose tightening up the initiative by redrafting the page of U.S. objectives to remove its interventionist elements. Our suggestions are marked on the attached page.

**DECLASSIFIED**  
Authority Hr Straub to Leonard, 8/22/06  
BY [Signature] NARA, Date 2/15/05

Ralph V. Korp

Classified by \_\_\_\_\_  
 Declassify  Review for  
Declassification on 2/10/88



ACTION
  BRIEFING
  INFORMATION

# Inter-Office Memorandum

Date: February 9, 1982

For: Assistant Secretary Leland

From: Thomas Leddy *TL*

Subject: Summit: Comments on State Draft of 2/8/82 on Proposed Versailles Summit Initiative -- Trade Effects of "Domestic" Policy

State has asked for comments on the attached draft paper, which attempts to make something out of the "Positive Adjustment" issue suitable for the Versailles Summit. This will be discussed along with other "initiatives" at the February 11 meeting at State. We should try to get our comments to State tonight.

Our comments, also attached, are designed to make the initiative more modest and realistic. More generally, however, we have serious doubts whether this will fly. It won't accomplish anything concrete so its sole virtue would be as a "smoke screen." It would probably also be difficult to sell this to the White House as being worthy of the President's attention.

There are better issues available to us in the trade and investment area -- ones where we might hope to achieve some concrete result rather than just waste time and energy.

If you approve, we will get these comments to State.

Approve \_\_\_\_\_ *[Signature]*

Other \_\_\_\_\_

### Attachments

	Initiator	Reviewer	Reviewer	Reviewer	Reviewer
Surname	BROWN/IMA	CHAVES/ITT	VUKMANIC/ITI	KORP/IMA	
Initials/Date	<i>SB</i> / 2/9/82	<i>rc</i> / 2/9/82	<i>FV</i> / 2/9/82	<i>PK</i> / 2/9/82	/

Treasury Comments on State Department Draft Paper of 2/8/82  
on Versailles Summit Initiative:  
Trade Effects of "Domestic" Policy

We have a fundamental question as to whether the U.S. government should really try to engage the Summit once again with the "Positive Adjustment" concept, which was already addressed at the Bonn Summit in 1978 (see attached section of communique). Assuming that there is some desire to go forward with this, we would have a number of comments on the initiative being proposed in this paper. Basically any initiative in this area should be more modest and realistic.

A. The Proposal for Versailles

We would limit the specific proposal to a reaffirmation of the positive adjustment principle in the Summit communique. A suggested specific rewording follows:

"1. A two-year work program on "Positive Adjustment Policies" in the OECD is drawing to a close with the 1982 OECD Ministerial. The OECD has found areas where most OECD countries are in violation of the positive adjustment principle. For instance, in steel, the EC is trying to adjust, but many initiatives it has adopted to ease the political and "human" burdens of adjustment have exacerbated the previously-existing dumping problem. In the automobile industry, both the U.S. and the EC know that they need to adjust but both have taken actions which slow the pace of adjustment. Due to the severity of the adjustment burdens, it is not surprising that such action has been taken. To the Japanese, both we and the EC would have to admit that it would be possible for the adjustment to proceed more quickly -- but would also argue that the aggressive Japanese posture is certainly not helping matters. In the Japanese case, trade-distorting measures are less transparent, taking the form not of targeted sectoral measures to delay retrenchment of declining industries, but broader systemic interventions, controls, and traditions, which boost exports and domestic capital formation, while limiting the scope for import penetration.

2. All OECD countries agreed to the desirability of Positive Adjustment in the Declaration on Positive Adjustment Orientations adopted at the 1978 OECD Ministerial. Although this Declaration encompassed a broader range of policies affecting structural adjustment in general, it contained specific references to trade distortions, as did the 1978 Bonn Summit communique. The OECD countries also made a commitment in the OECD Trade Declaration of 1980 to pursue positive adjustment policies and to foster further trade liberalization. We should attempt to get a reaffirmation of the positive adjustment principle, and its particular importance to the trade area, in the Versailles communique, perhaps accompanied by a collective mea culpa."

[Delete paragraphs 3 and 4 of the State draft.]

(NOTE: We believe that the action proposals in the State draft are not realistic. (a) Most of the concrete follow-up suggestions for the OECD appear to be a waste of time. However, to keep some momentum and awareness of the issue alive, PAP (including transparency of measures affecting structural adjustment) could be maintained as an area of continuing concern in the relevant OECD committees, including especially the annual EDRC country reviews. The EDRC is already charged with bearing PAP in mind in its review process, and could economically add a systematic annual review of those issues to its surveys. The fact that these are published promptly and read by a wide audience is not a small benefit. (b) The Summit should not have to concern itself with procedural questions and housekeeping details in the OECD. Only the proposed "guidelines" exercise would be of enough significance to merit Summit attention. But there is essentially zero chance that negotiations on such "guidelines" could reach a successful conclusion. (c) Finally, it does not seem productive to locate a PAP "guidelines" exercise in the OECD in order to avoid the criticism that we are trying to renegotiate the GATT subsidies code. Many specific positive adjustment issues are subsidies issues and, in fact, we soon may well begin trying to renegotiate/refine the GATT subsidies code. Why bother to clutter an issue we want to make real progress on with a fuzzy OECD program of work on the topic?)

#### B. Background Section

In second paragraph on Page 1, would want to make clear to reader that domestic pressures which require a slower or less pronounced adjustment process are largely political pressures.

The paragraph beginning at the top of Page 2 listing specific trade problems could use some revision. One element of the steel question is subsidies to European producers, but there are many other factors as well. In agriculture, the EC is not the only sinner: the U.S. and Japan are at fault as well. On autos, the obvious problems are mostly with the U.S. and the EC, although Japanese aggressiveness and intransigence are not helping matters. We should avoid talking about an under-valued yen since there is no evidence that the Japanese are deliberately rigging the market -- and more generally because we would not want to open the door here to a discussion of exchange rates.

EXHIBITS

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At least year's Downing Street summit we rejected a protectionist course for world trade. We agreed to give a new impetus to the Tokyo Round. Our negotiators have fulfilled that commitment. Today we charge them, in cooperation with the other participants, to resolve the outstanding issues and to conclude successfully the detailed negotiations by Dec. 15, 1978.

18. We note with satisfaction the renewal of the pledge to maintain an open-market oriented economic system made by the O.E.C.D. Council of Ministers last month. Today's world economic problems cannot be solved by relapsing into open or concealed protectionism.

19. We welcome the statement on positive adjustment policy made by the O.E.C.D. ministers. There must be a readiness over time to accept and facilitate structural change. Measures to prevent such change perpetuate economic inefficiency, place the burden of structural change on trading partners and inhibit the integration of developing countries into the world economy. We are determined in our industrial, social, structural and regional policy initiatives to help sectors in difficulties, without interfering with international competition and trade flows.

20. We note the need for countries with large current account deficits to increase exports and for countries with large current account surpluses to facilitate increases in imports. In this context the United States is firmly committed to improve its export performance and is examining measures to this end. The Prime Minister of Japan has stated that he wishes to work for the increase of imports through the expansion of domestic demand and various efforts to facilitate imports. Furthermore, he has stated that in order to cope with the immediate situation of unusual surplus, the Government of Japan is taking a temporary and extraordinary step of calling for moderation in exports with the aim of keeping the total volume of Japan's exports for the fiscal year of 1978 at or below the level of fiscal 1977.

21. We underline our willingness to increase our cooperation in the field of foreign private investment flows among industrialized countries and between them and developing countries. We will intensify work for further agreements in the O.E.C.D. and elsewhere.

22. In the context of expanding world economic activity, we recognize the requirement for better access to our countries' markets for the products of the developing countries. At the same time we look to increasing readiness on the part of the more advanced developing countries to open their markets to imports.

23. Success in our efforts to strengthen our countries' economies will benefit the developing countries, and their economic progress will benefit us. This calls for joint action on the basis of shared responsibility.

24. In the years ahead the developing countries, particularly those most in need, can count on us for an increased flow of financial assistance and other resources for their development. The Prime Minister of Japan has stated that he will strive to double Japan's official development assistance in three years. We deeply regret the failure of the Comecon countries to take their due share in the financial assistance to developing countries and invite them once more to do so.

25. The poorer developing countries require increased concessional aid. We support the soft loan funds of the World Bank and the three regional development banks. We pledge our governments to support replenishment of the International Development Association on a scale that would permit its lending to rise annually in real terms.

26. As regards the more advanced developing countries, we renew our pledge to support replenishment of the multilateral development banks' resources, on the scale needed to meet the growing needs for loans on commercial terms. We will encourage governmental and private cofinancing of development projects with these banks.

The cooperation of the developing countries in creating a good investment climate and adequate protection for foreign investment is required if foreign private investment is to play its effective role in generating economic growth and in stimulating the transfer of technology.

We also refer to our efforts with respect to developing countries in the field of energy as outlined in paragraph 15 and 16.

27. We agreed to pursue actively the negotiations on a Common Fund to a successful conclusion and to continue our efforts to conclude individual commodity agreements and to complete studies of various ways of stabilizing export earnings.



**B**

17 Feb 2 or 3 pm - Marchand

Spenkel - can't defuse macro issues. If we have better coord. of econ. pols., wouldn't have high int. rates + volatile exch. rates

Define!  
Argue that we are going where sev. yrs ago EMS wanted us to go

How far can we go w/ coordination?

EMS - price juggling

not policy coordination - Germ. as low inflat. country was to be base. Hasn't worked

only alternative is another alignment of rates  
They arg. achieve greater exch. rate stability but that ignores the realignment.

EMS arg. that fin. are constrained by EMS.

coord. of macroecon. obj's, not policies. of

you have <sup>common</sup> low inflation pols., you will get greater stability

What are they doing in ways which we can support?

Energy sec. - Why do we put down decline of energy prices?

stress market oriented pricing for products. Internat. initiative could help on our own gas dereg.

Rules of Road for Investment - args. as if it have now faded. Investment paper doesn't mention LDCs

+ Clausen initiative

still nervous @ GNS. No alternative! <sup>yet</sup> Study shows what succeeds. French will raise it.

East-West - Kopp

AHali Letter

Each leader will want to discuss in own philos + prog.

Downplay NATO Summit

How do we get a serious debate on growth?

N/S issue - food P's statement at Cancun

Food security - means grain agreement

Nan

Food prod.  
Give LDCs greater stake in Western coop.

Call Wick + Loretta

Youth theme - common effort to help LDCs

Nan

more exchanges + studies w/ Em. youth

Conf. of women funds. multilateralize food coop.

Spenkel - EMS + macroecon. pol. coord.

Trade - Heimlich

Investment - trans. chain states USTR

GNS - Conf. on Growth - Meisner's gap

Nau: 32

42

National Security Council  
The White House

Package # 1209

82 11-23 P 5:46

*File*  
*W...*  
*G...*

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	<u>1</u>	<u>[Signature]</u>	
Bud McFarlane	<u>2</u>	<u>M</u>	
Jacque Hill	<u>3</u>		
Judge Clark	<u>4</u>	<u>✓</u>	<u>I</u>
John Poindexter			
Staff Secretary			
Sit Room			

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Other			

COMMENTS

## MEMORANDUM

## NATIONAL SECURITY COUNCIL

February 26, 1982

INFORMATION

MEMORANDUM FOR WILLIAM P. CLARK

THROUGH: CHARLES TYSON *CT*FROM: DONALD GREGG *DG*SUBJECT: Japanese Request for Bilateral Meeting with  
President Reagan During his European Trip

Political Counselor Hiroshi Fukuda called on me late yesterday afternoon to request the opportunity for Prime Minister Suzuki to meet with President Reagan during his trip to Europe in late Spring. Fukuda noted that it had become, as he put it, "semi-customary" for Japan's Prime Ministers and US Presidents to meet once a year. Suzuki has been strongly hoping for a meeting with the President in Europe, and for this reason has not suggested a visit to Washington. Fukuda said that this meeting would cover both economic and political issues.

I was noncommittal in responding, and made the point that I was not involved in planning the President's European trip. I said I would pass Fukuda's request forward. Fukuda said that he had not mentioned this to the State Department, feeling that this was a matter more properly discussed directly with the White House. Fukuda mentioned the morning of June 7 as being an ideal time for a meeting, from the Japanese viewpoint. This would be after the completion of meetings in France and prior to the President's departure for Rome.

I called Charles Tyson immediately after the meeting to alert him to this request. He suggested that I write this memorandum.

Following Chuck's suggestion, I will give Fukuda his number and will withdraw at least temporarily from this negotiating loop.

cc: Charles Tyson

MEMORANDUM

NATIONAL SECURITY COUNCIL

SYSTEM II: 90124  
ADD-ON

34

~~SECRET~~

March 4, 1982

*File  
France  
Summit*

INFORMATION

MEMORANDUM FOR WILLIAM P. CLARK

FROM: HENRY R. NAU  
SUBJECT: Haig's Memo re Sending a Special Emissary to Europe

Haig's memo, which I understand he has already discussed with you, suggests sending a special emissary to Europe to discuss the critical state of our economic relations with Europe (Tab I). He recommends George Schultz for this purpose.

The idea of a special emissary has merit. The Europeans and especially Schmidt are greatly exercised by U.S. economic policies. These missions are good for handholding and expressing sensitivity to European concerns. But they also have some drawbacks. Several questions should be raised:

1. Assuming Schultz consults only, are we prepared to do anything about requests which Schmidt or others might make for a change in our economic policies?
2. Will the Schultz visit relate to the Buckley mission? Europe associates the pipeline with the need to stimulate employment and deal with the current economic malaise in Europe. Certainly Schmidt will discuss the pipeline with Schultz. Are we creating alternative channels for consultation on this issue?
3. Is there adequate opportunity to deal with substantive issues when the President meets here with Mitterrand and perhaps communicates extensively with Schmidt before the Summit?

If we are serious about accommodating European sensitivity to economic issues, there may be more significant steps that we can take. We should know where we are heading before we consult.

Norman Bailey concurs. *NB*

~~SECRET~~  
Review 3/4/88

SEARCHED  
INDEXED  
SERIALIZED  
FILED  
MAR 07 1982  
BY Q NARA DATE 4/29/10

*Barley***SECRET**

RECEIVED

THE SECRETARY OF STATE  
WASHINGTONSENSITIVE

82 FEB 24 P 3: 23

February 24, 1982

MEMORANDUM FOR: THE PRESIDENT

From: Alexander M. Haig, Jr. *AMH*

Subject: U.S.-European Economic Relations

We have had several discussions recently on the critical state of our economic relations with Europe. As you know, there is an urgent need to address European and Japanese views that our actions are seriously aggravating their economic troubles. It is not possible to overemphasize the political danger of letting this situation drift until the June economic summit.

To convey your personal concern, and to begin containing this crisis well in advance of the summit, I recommend that you approve an urgent -- and highly confidential -- mission to key capitals (i.e., Paris, London, Bonn and Tokyo). The purpose of this mission would be to obtain an authoritative assessment of the international economic situation (including trade, monetary and energy-related issues) as well as of the problems which have arisen in our economic relations with these countries. Included in the assessment would be recommendations on how to proceed with this effort in the time remaining before the summit.

Much depends on the choice of the proper emissary. I recommend George Shultz, and ask that you call him with a request quietly to undertake this mission. George is singularly well qualified. He is one of our most knowledgeable private sector Americans. He enjoys a close relationship with Schmidt and made a similar trip for President Nixon. George's talks would be with heads of state or their designated representative. This mission would be strictly confidential, with no disclosure of his trip. He should travel alone, thus avoiding the publicity of a larger private group. His guidance should come directly from you and your Cabinet. Knowledge of the trip -- and any recommendations -- should be kept entirely out of the bureaucracy, limited only to you, Don Regan, Bill Brock and me.

**SECRET**

RDS-3 2/23/02

DECLASSIFIED

NLRR 007-081 #50834  
BY *CLS* NARA DATE 4/23/10

~~SECRET~~

-2-

A Shultz mission would serve to bleed off some of the European concerns over the interest rate problem. It would demonstrate you are willing to listen to their concerns and hopefully would blunt public criticism while our rates are high and our domestic debate volatile. Finally, the mission would provide valuable insights into current allied thinking on this sensitive issue. We can expect our allies to welcome the mission; however, we cannot rule out some resistance by the new government in Paris, given its difference from the Giscard Administration which suggested the last private mission by George Shultz. You may need, therefore, to raise this matter rather firmly with Mitterrand when he visits.

~~SECRET~~

File France Summit 37

Summary to Clark & Deaver

CLEA agenda wk. of Mar. 22

Ideas to Armstrong

Weidenbaum  
Sprinkel  
Carson  
Nan  
Sp. will call Weid.  
Weid. will call UK

paper ready by Friday Mar. 19.

CLEA agenda wk. of Mar. 22

Investment paper - Cornell

also due by Mar. 19 to be sent out by end of

McCord  
USTR person

what kind of Summit  
Offensive - coord of policy  
equilibrium  
trade is fly side of finance

Trade paper - tents. of Brock/Hornat + Davos speech w/ letter from Hornat

take to Matsunaga.  
Ask if we can play helpful role

Energy Security - thoughts to Durieux + Page - draw w/ Clark @ CCNRE review

ready by end of month

E-W paper - debt exposure, subsidy - raise int. rates, consultative com. for sending to G7.

N-S paper - Lollis paper to Itals - ready by end of mo.

Agric. - McPh. mtd. lat. O's initiative  
Global Conf. of Growth  
Looked at Delhi - obj. is growth  
What succeeds - right pols. make and more effective.

hold in reserve

CLEA agenda for info

Technology - Nat. Acad. of Sciences do paper on tech. will give to Attali

Domestic actions that could be expedited:

- revel. of budget issue
- coal port dredging

Exch Market Intervention Policy



THE SECRETARY OF STATE  
WASHINGTON

Dear Don:

Thank you for your letter of March 10.

I like your suggestion that we offer to consult more closely with our European friends on the possibility of achieving coordinated policies among us to advance our common objectives of vigorous growth, low inflation, and stable exchange rates. Given the differences we have with the Europeans on how best to attain these objectives, we may not succeed quickly in persuading them to accept our approach. But the fact that we are inviting an open and candid discussion of the matter, looking to the possibility of a coordinated approach, should help to alter their perception that we are indifferent to their concerns.

I look forward to receiving Treasury's paper on this subject later this week.

With warm regards,

Alexander M. Haig, Jr.

The Honorable  
Donald T. Regan,  
Secretary of the Treasury.



THE SECRETARY OF THE TREASURY  
WASHINGTON

8206756

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March 10, 1982

Dear Al:

Thank you for your letter of February 26 concerning our economic relationship with Western Europe. I share your concerns about the economic problems within the Alliance, and I am well aware that Europeans frequently urge us to intervene in the foreign exchange market as well as to lower interest rates.

We have rejected their requests for intervention, except under conditions of disorderly markets, simply because intervention does not work and almost certainly has negative economic consequences. Furthermore, given the differences in respective domestic economic policies, it would be impossible to avoid conflicts over the appropriate degree of intervention, thus adding to our political problems.

The underlying source of strength in the dollar, and hence the source of the weakness in their currencies, lies in the fact that we are making much better progress in subduing our inflation. Exchange rates can remain reasonably stable only in an environment of coordinated economic policies which restore a low level of inflation in all major countries. Therefore, efforts at policy coordination should be directed toward achieving less inflation.

As you may be aware, it is the intent of the U.S. Delegation to the Summit planning exercise to offer to consult more closely with our European friends on the possibility of achieving coordinated policies among the U.S. and our Summit partners, designed to subdue inflation and stimulate real economic growth. This proposal will be in response to their expressed concerns and, if implemented, will yield more stable exchange rates and eliminate pressures to intervene.

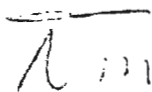
Treasury is now preparing a paper along these lines which will be available for inter-agency review about March 17. We expect to present it to the Cabinet Council on Economic Affairs and, if a consensus emerges, I will

recommend to President Reagan that such an initiative be pursued at the Versailles Economic Summit. I believe such an initiative would be responsive to European concerns and could make a major contribution to achieving low inflation and faster economic growth--objectives shared by all the Summit countries.

I will be interested in learning your response to our draft proposal.

With best wishes.

Sincerely,



Donald T. Regan

The Honorable  
Alexander M. Haig, Jr.  
Secretary of State  
Washington, D. C. 20520

Tim Skud

8204451

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THE SECRETARY OF STATE  
WASHINGTON

February 26, 1982

Dear Don:

By now Tim has probably reported to you on our very fruitful conversation of last Thursday. As mentioned then, I am deeply concerned about our economic relationship with Western Europe and pressures on the Alliance. I know you share many of these concerns, and are working with your colleagues to promote constructive economic cooperation with Europe to help reduce tensions and address the economic problems before us.

I am particularly pleased that you are thinking of ways of dealing with the question of exchange rate intervention to help meet some of the Europeans' concerns while maintaining our market-oriented approach. This could be of major importance from a psychological point of view, by demonstrating sensitivity to a point which concerns the Europeans greatly. During the several months ahead it will be particularly important to stay in close touch with European officials at all levels to explain our position, any legislative developments which impact on the U.S. economy, and how we and Europe can develop a better consensus on our economic objectives.

During this critical period, let's get together with Mac Baldrige and Bill Brock every few weeks to get advice and to ensure that we are on the same wavelength on these matters. I have also asked Larry Eagleburger and Bob Hormats to be in touch with Tim, Beryl and Marc toward the same ends.

With warm regards,



Alexander M. Haig, Jr.

The Honorable  
Donald T. Regan,  
Secretary of the Treasury.

MEMORANDUM

#1257

THE WHITE HOUSE  
WASHINGTON

March 13, 1982

*File  
France  
Summit*

MEMORANDUM FOR MURRAY L. WEIDENBAUM

FROM: WILLIAM P. CLARK *Bill*

SUBJECT: Travel to Paris by Murray Weidenbaum  
and Jerry L. Jordan

I have your notice that you and Jerry Jordan will be traveling to Paris on April 19-23 and April 29-30 for OECD meetings. These meetings immediately precede and follow the next preparatory meeting for the Versailles Summit, which will be held in Provence on April 24-25. I am sure that you and Jerry will try to use these meetings to advance our Summit objectives. The UK will be preparing the Summit paper this year on macroeconomic and monetary issues. It would be useful to have this paper reviewed by the EPC Bureau as has been done in the past. Can this be done without offending the British? The macroeconomic and monetary issues will undoubtedly attract the greatest interest. We have our work cut out for us to maintain a steady course and inject a measure of confidence and purpose in the management of economic problems in the alliance.

## NATIONAL SECURITY COUNCIL

March 5, 1982

ACTION

MEMORANDUM FOR WILLIAM P. CLARK

FROM:

HENRY R. NAU *HN*

SUBJECT:

Travel to Paris by Murray Weidenbaum and  
Jerry L. Jordan

Weidenbaum indicates in two separate memos that he and Jerry Jordan of the CEA will be traveling to Paris for OECD economic meetings on April 19-23 and April 29-30 (Tab II). Your note to Weidenbaum (Tab I) points out that these meetings immediately precede and follow the next Summit preparatory meeting in France on April 24-25. It asks that he and Jordan use these meetings as effectively as possible to advance our Summit objectives. State concurs.

RECOMMENDATION: That you sign the memo to Weidenbaum at Tab I. *Jim* Rentschler concurs.

APPROVE           DISAPPROVE           

## Attachments

Tab I      Memo to Weidenbaum  
  II      Memos from Weidenbaum

cc: Norman Bailey  
  Don Gregg

THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

02 410 3 P 4: 26  
March 2, 1982

MEMORANDUM FOR WILLIAM CLARK  
ASSISTANT TO THE PRESIDENT  
FOR NATIONAL SECURITY AFFAIRS

FROM: MURRAY L. WEIDENBAUM *MW*

SUBJECT: Travel to Paris, France

In compliance with the President's memorandum of February 22, this is to request approval for me to travel to Paris, France to chair a meeting of the Economic Policy Committee of the OECD.

The two-day meeting is scheduled for April 29 and 30. I will be accompanied by Michele Fratianni, a Senior Staff Economist with the Council.

1 MAR 1982

1957  
45

THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON, D.C. 20506

82 MAR 1 11:50  
February 27, 1982

MEMORANDUM FOR WILLIAM CLARK  
ASSISTANT TO THE PRESIDENT  
FOR NATIONAL SECURITY AFFAIRS

FROM: MURRAY L. WEIDENBAUM *MW*  
SUBJECT: Travel to Paris, France,  
by Jerry L. Jordan

In compliance with the President's memorandum of February 22, this is to request approval for Jerry L. Jordan, Member of the Council of Economic Advisers, to travel to Paris for duty in connection with the Economic Development Review Committee (EDRC) meeting, and the Economic Policy Committee Working Party 1 and Working Party 3 meetings of the OECD.

Mr. Jordan will be the only participant from the Council's staff in these OECD meetings.

He will leave Washington on or about April 19 and return on or about April 23, 1982.

The list of OECD meetings he is scheduled to attend are:

The Economic and Development Review Committee Meeting on the U.S.

Working Party No. 1 and Working Party No. 3 of the Economic Policy Committee.



# National Security Council The White House

Package # 1257

82 MAR 1 1950

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	_____	_____	_____
Bud McFarlane	_____	_____	_____
Jacque Hill	_____	_____	_____
Judge Clark	_____	_____	_____
John Poindexter	<u>1</u>	<u>JP</u>	_____
Staff Secretary	<u>2</u>	_____	<u>A</u>
Sit Room	_____	_____	_____

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Other \_\_\_\_\_

### COMMENTS

*DEcd  
FTR  
FRANCH*

50

# National Security Council The White House

Package # 1257

02 MAR 5 13:26

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	<u>1</u>	<u>[Signature]</u>	
Bud McFarlane		<u>[Signature]</u>	
Jacque Hill	<u>2</u>	<u>✓</u>	
Judge Clark	<u>3</u>	<u>✓</u>	<u>A</u>
John Poindexter	<u>4</u>	<u>✓</u>	
Staff Secretary			
Sit Room			
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COMMENTS