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WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name MCMINN, DOUGLAS: FILES

Withdrawer

SMF 2/19/2008

File Folder FRANCE-INTERNAL US PREPARATIONS (7)

FOIA

S2007-081

Box Number 13

NOUZILLE

167

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
50854	MEMO	HAIG TO THE PRESIDENT RE VERSAILLES AND BONN SUMMITS <i>R 4/23/2010 NLRRM2007-081</i>	4	3/30/1982	B1
50855	MEMO	NAU TO CLARK RE US POSITION PAPERS <i>R 10/1/2010 MR2007-081/1</i>	1	3/31/1982	B1
50856	MEMO	CLARK TO THE PRESIDENT RE POSITION PAPERS <i>R 10/1/2010 MR2007-081/1</i>	1	ND	B1
50857	PAPER	EAST-WEST ECONOMIC RELATIONS SUMMARY <i>R 4/23/2010 NLRRM2007-081</i>	1	ND	B1
50858	PAPER	ENERGY SECURITY AT THE VERSAILLES SUMMIT <i>R 4/23/2010 NLRRM2007-081</i>	1	ND	B1
50859	PAPER	RELATIONS WITH DEVELOPING COUNTRIES SUMMARY <i>R 4/23/2010 NLRRM2007-081</i>	1	ND	B1
50860	MEMO	HORMATS TO DEEVER/CLARK RE VERSAILLES SUMMIT: YOUTH INITIATIVE <i>R 4/23/2010 NLRRM2007-081</i>	1	4/1/1982	B1
50861	MEMO	HAIG/WICK TO THE PRESIDENT RE TRIP TO EUROPE <i>R 4/20/2010 M2007-081</i>	3	3/30/1982	B1

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]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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NOUZILLE

167

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
50862	MEMO	EAGLEBURGER TO THE SECRETARY RE TRIP TO EUROPE <i>R 4/20/2010 M2007-081</i>	1	3/26/1982	B1
50863	CABLE	021234Z APR 82 <i>R 4/20/2010 M2007-081</i>	1	4/2/1982	B1

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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National Security Council
The White House

NAU 1

Package # 1825

*File
Finance
Summary*

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	<u>1</u>	<u>JK</u>	
Bud McFarlane	<u>2</u>	<u>MA</u>	<u>A</u>
Jacque Hill	<u>3</u>	<u>J</u>	<u>A</u>
Judge Clark		<u>✓</u>	
John Poindexter			
Staff Secretary			
Sit Room			
I-Information	A-Action	R-Retain	D-Dispatch
DISTRIBUTION			
CY To VP		Show CC	
CY To Meese		Show CC	
CY To Baker		Show CC	
CY To Deaver		Show CC	
Other	_____		

COMMENTS *4 3 also*

*Bud,
Tab I has gone to Deaver.
You wanted to discuss this with Judge.
Please give to Jacque after the discussion
so she can save for the Clark/Deaver
meeting. John*

National Security Council
The White House

Package # 1825

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	<u>1</u>	<u>OK 22</u>	_____
Bud McFarlane	<u>2</u>	<u>3/23</u>	_____
Jacque Hill	<u>3</u>	<u>3/24</u>	_____
Judge Clark	<u>4</u>	<u>3/24</u>	_____
John Poindexter	_____	_____	_____
Staff Secretary	_____	_____	_____
Sit Room	_____	_____	_____
I-Information	A-Action	F-Retain	D-Dispatch
DISTRIBUTION			
CY To VP	_____	Show CC	_____
CY To Meese	_____	Show CC	_____
CY To Baker	_____	Show CC	_____
CY To Deaver	_____	Show CC	_____
Other	_____		

COMMENTS

Draft schedule attached as
 2nd. package.
 and we discuss? and
 Let's do it

3/22

~~File,~~

Write out check on Tab I.
 Send to Deaver. Done

Return to me orig of cover
 memo and copy of rest
 of purchase.

att'd

John

mw
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NATIONAL SECURITY COUNCIL

UNCLASSIFIED WITH
CONFIDENTIAL ATTACHMENT

March 19, 1982

ACTION

Assessed
HW

MEMORANDUM FOR WILLIAM P. CLARK

THROUGH: CHARLES P. TYSON *EMT*
FROM: JAMES M. RENTSCHLER/DENNIS C. BLAIR/HENRY NAU *HW*
SUBJECT: President's June Trip: Issues To Be Resolved

Attached at Tab I as promised (threatened?) via my Wednesday alert, you will find, in the form of a memo from you to Mike Deaver, a comprehensive rundown of issues and items which we need to resolve en route to the President's June travel program. This material has been cleared with appropriate in-house hands.

Note that Tab 2 in your memo to Deaver urges early attention to the question of who should accompany the President where during the June trip. Concerning NSC requirements in this regard, you may wish to determine the support you feel appropriate by checking the outline below (these decisions can then be incorporated in the blank page provided at Tab 2-A):

	<u>Paris</u>	<u>Versailles</u>	<u>Rome</u>	<u>London</u>	<u>Bonn</u>
William P. Clark	_____	_____	_____	_____	_____
John Poindexter	_____	_____	_____	_____	_____
Charles P. Tyson	_____	_____	_____	_____	_____
James M. Rentschler	_____	_____	_____	_____	_____
Henry Nau	_____	_____	_____	_____	_____
Dennis Blair	_____	_____	_____	_____	_____
_____ (Secretary)	_____	_____	_____	_____	_____
_____ (Secretary)	_____	_____	_____	_____	_____

RECOMMENDATION:

YES NO

_____ ___ That you sign the memo to Mike Deaver at Tab I

Tab I Memo to Deaver

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THE WHITE HOUSE
WASHINGTON

UNCLASSIFIED WITH
CONFIDENTIAL ATTACHMENT

March 29, 1982

ACTION

MEMORANDUM FOR MICHAEL K. DEEVER

FROM: WILLIAM P. CLARK ~~_____~~

SUBJECT: President's June Trip: Issues To Be Resolved

The purpose of this memo is to flag, as comprehensively as possible, the range of issues and items related to the President's June travel program which, as far as I can gather, have not yet been resolved, and to recommend that we get together in the very near future to resolve them. Essentially this material covers five critical areas:

- Key substantive and scheduling issues (Tab 1);
- Major administrative and personnel questions (Tab 2);
- Public Affairs (Tab 3);
- Economic Summit (Tab 4);
- NATO Summit (Tab 5)

These are probably not exhaustive categories, and it may well be that items in one will overlap with items in another. Nevertheless, they do identify a number of pressing concerns which we need to address in the context of ensuring overall success for the President's European trip. In this connection I would particularly draw your attention to the trip's public affairs aspects, arguably the most important category (since much of what the public on both sides of the Atlantic and in the international community at large perceive to be the impact of the President's travel will depend on how we play the many different elements of his public remarks - major speeches, arrival/departure statements, press conferences, pre-departure media briefings, etc.).

Please note that where relevant, each issue is accompanied by a specific NSC staff recommendation.

RECOMMENDATION:

YES

NO

That we review together the attached inventory of issues and finalize appropriate scheduling, and other arrangements

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6'

KEY SUBSTANTIVE AND SCHEDULING ISSUES

-- Departure Date. Rather than depart on June 3 which would result in a 10:00 p.m. arrival in Paris with the Summit to follow the next day, a June 2 arrival would allow for a full day to adjust to the changes in time (essentially California to Paris - 9 hours). The bilateral meeting with Mitterrand could then take place on June 3 in Paris. Briefings for the Economic Summit could be accomplished on June 3 and the morning of June 4.

-- Bilateral meetings during Versailles Summit. We need to decide with whom and at what time the President should meet with individual Summit participants in Versailles (see also Tab 4). To a certain extent this will depend on how we play the Versailles meeting itself and how critical international issues may be breaking in the meantime.

(NSC recommendation: Need a bilateral with Japanese Prime Minister Suzuki; others to be determined, bearing in mind that the President will have already met with Mitterrand, and will be seeing Spadolini in Rome, Thatcher in London, and Schmidt in Bonn immediately following the Economic Summit).

-- D-Day Ceremony. We need to decide what location, and the appropriate logistics to support it, will be the site of a ceremony commemorating the Sunday, June 6 anniversary of D-Day.

(NSC recommendation: a short visit to the Suresnes military cemetery close to Paris, coupled with a stop at the nearby French Resistance Monument. This will save Presidential time, cut down on travel, and provide an appropriate gesture vis-a-vis the French. A D-Day trip to Normandy by Mrs. Reagan would be an excellent item for her schedule).

-- Sequence of events in Rome. We need to resolve the contradictory signals from Rome concerning the desired order in which the President will meet with President Pertini, Prime Minister Spadolini, and the Pope.

(NSC recommendation: first call on the Pope and have Vatican audience; then go to Quirinale Palace for short call on President Pertini; then conclude with working lunch at Villa Madama with Prime Minister Spadolini. This sequence would preclude tying up the President in a late-afternoon audience with the Pope and ensure an earlier departure. This issue should be resolved before Pertini's March 25 visit to the US so that it does not become an issue of the visit).

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-- London speech. Quite apart from the questions of theme and content, we must nail down whether and where the President is to deliver a speech in the UK, particularly if the Westminster Hall uncertainty persists.

(NSC recommendation: Inform the British without delay - and at a high level - that we will accept any location they consider appropriate for delivery of a Presidential speech and that we will feel honored by the availability of the Royal Gallery if Westminster Hall is not feasible).

-- Thatcher meeting and meal with the President. We need to determine precisely how we are going to resolve the conflict between the UK and FRG scheduling desiderata so that the bilateral character of neither stop is adversely affected. This primarily means deciding whether to have the Thatcher part of the program on Tuesday, June 8 - which may cause her problems - or on Wednesday, June 9 - which would cut seriously into available time in Bonn.

(NSC recommendation: Ride with Queen on Tuesday (as she prefers), with speech and then lunch with Thatcher to follow. On Wednesday bilateral with Thatcher, invite her to fly to Bonn (lunch on the way), and Bundestag speech to follow Carstens meeting, with two hours available for NATO briefing at Schloss Gymnich).

-- Sequence and composition of bilateral events in Bonn. What is the earliest we can reach Bonn on Wednesday, June 9 and will this conflict with the UK program? Is the idea of a major Presidential speech in the Bundestag on or off?

(NSC recommendation: leave London in time to permit the President a brief courtesy call and welcoming ceremonies with President Carstens, and a major address in the Bundestag - see Public Affairs section at Tab 3 - all on June 9. On June 10, schedule bilateral working dinner with Schmidt).

-- Berlin. Is the Berlin add-on confirmed? When would the President go there? What will be the composition of the stop?

(NSC recommendations: announce as soon as possible the definitive inclusion of Berlin on the President's June itinerary, with minimum program to include 1) arrival at Tempelhof Airport, site of Berlin Airlift; 2) stop at City Hall for Golden Book ceremony and public statement; 3) visit to Wall, coupled with public statement. Best to take place on morning of June 11, with an early afternoon departure for Andrews).

-- Mrs. Reagan's Program. Decisions need to be made concerning responsibility for the establishment of an appropriate program of activities, both public and private, for the First Lady throughout the President's June trip and to ensure proper coordination.

(NSC recommendation: Mike Deaver to appoint a central East Wing control point for above purpose, with ad hoc reference to NSC and State as may be indicated or desired).

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08

MAJOR ADMINISTRATIVE AND PERSONNEL QUESTIONS

- Composition of President's travelling party To ensure a smooth and harmonious planning effort we should have an early focus on the President's staff support needs, i.e., who accompanies the President where. Attention to this area now will help obviate uncertainty and confusion later on (NSC staff requirements are listed in the appendix at Tab 2-A).
- Specific meeting and event assignments (who will attend what and where).
- Specific responsibilities for substantive meeting participants.
- Special case: will SecDef be part of delegation to NATO Summit?

NSC Recommendation: given the brevity of the meeting - one day - and the anticipated emphasis on political unity, together with the fact that the SecDef's presence would adversely affect the chances of ensuring high-level French participation, the delegation should be maintained at the Head of Government and Foreign Minister level.

- Preparation of briefing books and talking points: assignment of format, scope and deadlines;

NSC recommendations: individual books for each stop, with Clark and Haig memos, together with relevant issue papers, covering meetings with major leaders (Economic Summit bilaterals to be handled in the Summit book itself). Economic and NATO Summit books to be prepared under structure announced in NSDD-25. Economic Summit SIG to submit briefing book to NSC by May 17 for dissemination by Fuller and Darman to Cabinet and White House offices. NSC will complete final papers by May 24. NATO Summit SIG will finalize outstanding issues by May 24; NSC to forward materials to Darman's office by May 28.

(WILL BE PROVIDED)

Any approach to public affairs planning for the President's June trip must take into account a number of interrelated areas of varying magnitude and prominence: 1) major speech deliveries; 2) background briefings for the media and press conferences; and 3) miscellaneous minor statements, such as arrival and departure remarks and those which would accompany appearances at such events as the D-Day ceremony, official meals (toasts), etc.

Tab 3a contains a comprehensive rundown of identifiable areas where the President would voice public remarks, together with relevant question-marks concerning events or opportunities that remain to be decided. While each of these separate items needs to be addressed as urgently as possible, by far the most critical cluster of public statements concerns major policy statements which the President might deliver both preceding and during his June travel program. Moreover, we need to nail down decisions on each of these so that drafting can begin with an eye to proper "cadencing" and rational interrelationship of thematic material. The NSC staff has examined these considerations, with a view not only to content but also timing. Recommendations, in chronological order, are as follows:

-- Curtain-raising scene setter. A major foreign-policy speech should be delivered in the first week of May, preceding the NATO Defense Ministers meeting (May 6-7) and the Luxembourg Spring Ministerial (May 17-18). This will delineate a number of themes which the President has in mind as he approaches the two key Western summits (and help influence the ongoing preparations in Allied capitals):

- The responsibilities of partnership;
- Economic health and cooperation as an indispensable underpinning for a viable Western security posture;
- Reaffirmation of the primacy which our Atlantic relations enjoy in U.S. foreign policy;
- The relevance of Western values, and our commitment to them, in the face of Soviet repression;
- Summary of specific areas of regional conflict where the President's peace program is at work and the relevance of this work to Western security cooperation;
- Possible announcement of START talks.

-- Speech in UK. The President will have just been at the Versailles Summit and will be enroute to the NATO Summit in Bonn. Given the special legacies of culture, history, tradition, language, and jurisprudence which tie the two countries, a London location would provide an ideal platform for focusing on democratic values along the following lines:

- Western values are unique in world history and priceless;
- UK's role to development of those values, and particularly the evolution of democratic institutions, has special meaning for Americans;

- 11
- Backdrop of Versailles demonstrated to what extent interdependence conditions the transatlantic exchange and how the pursuit of democratic values is determined by cooperation in every area of human concern, notably economics;
 - Just as the UK overcame centuries of aloofness from the continent and has joined in practical arrangements for the betterment of all peoples on the eastern side of the Atlantic, so has America repudiated the earlier isolationist stance of its history and joined as a full partner in transatlantic progress;
 - The NATO Summit two days from now will demonstrate anew the bonds of partnership which unite us and reaffirm our joint commitment to defending against those whose values and ideology actively oppose ours;
 - Presence in this hall, in this country, together with the meetings the President will have with his security partners on the continent, serves notice of a fundamental American message: the U.S. sees its future integrally bound up with Western Europe;
 - In the final analysis, we are talking about the message of free men: their responsibilities, their determination, the confidence they have in the fundamental rightness of a world community whose cohesion does not depend on political coercion, watch towers, mind-fields, death-strips, and denial of individual liberties.
- Speech in Bonn. Ideally, this would be given in the Bundestag directly preceding the start of the NATO plenary. Not only would such an address preempt a great deal of media focus on the street demonstrations likely to be in progress, but, on a more positive note, it would take the President's personality and his message of peace directly before the parliamentary representatives of the ally whose vacillation (and distorted views) on major security issues have caused us the most problems in recent months. Key elements:
- There is a peace movement in the West. Its leaders are Chancellor Schmidt, President Mitterrand, Prime Minister Thatcher, and all the other elected leaders of the world's democracies. (Might also be possible theme for early May speech)
 - Peace is more than marching in streets. Peace is maintaining a balance of military power with potential adversaries, peace is the combination of patient diplomacy, economic assistance and military power applied to volatile regions of the world to foster stability and restraints;

- Real peace includes security and freedom, and a firm commitment to "islands of liberty" such as West Berlin (where the U.S. will not shirk its responsibilities):
- An announcement on START, coupled with a dramatic new verification initiative on the order of President Eisenhower's "open skies" proposal in the fifties.
- Speech in Berlin. This need not be as long as earlier statements the President would make (pre-departure curtain-raiser, London, and Bonn) but could have significant dramatic effect in recapitulating the main themes he has enunciated in the course of his travels (to be determined: whether such a statement would best be given at City Hall, or in front of the Wall).

TENTATIVE IDENTIFICATION OF OPPORTUNITIES/REQUIREMENTS
FOR PUBLIC PRESIDENTIAL REMARKS
European Trip, June 3 - 10, 1982

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Preceding Actual Departure

- Inserts in the President's and other major Administration figures' speeches incorporating major US themes for European trip
- Major curtain-raising, scene-setter address
- Press Meeting with Key European Media Reps
- Press Meeting with Key U.S. Press Corps

Wednesday/Thursday, June 2/3

- Question: VP "Bon Voyage" Remarks on South Lawn? (a.m.)
- Departure Statement at Andrews AFB (9 a.m.)
- Arrival Statement in Paris (10 p.m.)

Friday, June 4

- Statement at Resistance Monument/US Cemetery (Suresnes)
- Arrival Ceremony at Versailles Economic Summit Site (mid-day)
- Question: Anything needed (opening statement?) for Heads of Delegation dinner?

Saturday, June 5

- Question: Anything needed for Heads of Delegation Dinner?

Sunday, June 6

- Joint Heads of Delegation Press Conference (4:45 p.m.)
- U.S. Press Conference (5:30 p.m.)
- Question: Anything needed for Heads of Delegation Dinner?

Monday, June 7

- Departure statement from France (8:45 a.m.)
- Arrival statement at Ciampino, Rome (11:00 a.m.)
- Vatican arrival ceremony (11:35 a.m.)
- 5-minute public remarks with Pope in Vatican (12:40 p.m.)
- Arrival ceremony at Quirinale Palace (1:15 p.m.)
- Question: Arrival remarks at Villa Madama? (2:00 p.m.)
- Toast for working lunch with Prime Minister Spadolini at Villa Madama (3:30 p.m.)

- Departure statement from Rome (4:15 p.m.)

NB: No arrival statement in London

- Arrival ceremony at Windsor Castle (6:00 p.m.)
- Question: Toast for "private" dinner with Queen? (p.m.)

Tuesday, June 8

NB. No arrival statement at Number 10 Downing Street (10:45 a.m.)

- Departure remarks at Number 10 (11:35 a.m.)
- Major Presidential address in Westminster Hall (12:15 p.m.)

- Toast for working lunch at Number 10 (2:00 p.m.)
- Toast for white-tie State Dinner in Windsor Castle (10:00 p.m.)

Wednesday, June 9

- Departure statement from London/Heathrow (11:00 a.m.)
- NB. No arrival statement at Cologne/Bonn "Technical Stop"
- Arrival ceremony remarks at Villa Hammerschmidt with President Carstens (1:25 p.m.)
- Toast for working lunch with Schmidt (3:00 p.m.)
- Major Presidential address before German Bundestag (4:00 p.m.)
- Question: Anything needed for Heads of Delegation Dinner?

Thursday, June 10

- Opening US Statement (8 minutes)
- Question: Anything needed for Heads of Delegation lunch?
- U.S. press event (5:00 p.m.)
- Toast for Bilateral Dinner with Schmidt

Friday, June 11

- Departure remarks from Bonn (a.m.)
- Arrival remarks in Berlin (a.m.)
- Public remarks at site in Berlin (a.m.)
- Departure remarks from Berlin
- Remarks at refueling stop enroute home (?)
- Question: VP welcome home remarks at Andrews AFB? (p.m.)
- Arrival remarks at Andrews AFB (p.m.)

ECONOMIC SUMMIT: STATUS OF PLANNING AND KEY ISSUES TO RESOLVE

The Senior White House Group for Versailles Summit preparation has already met twice and has initiated substantive issue papers for discussion at the next preparatory meeting in France on April 24-25. The last Senior White House Group meeting approved a detailed schedule for further meetings and for preparation of the President's briefing book. The Versailles Summit SIG has met once and meets again on April 9 to detail assignments on the briefing materials. Outstanding issues at the moment include:

- Versailles Summit Bilaterals. Need a block of time on the President's schedule Thursday/Friday, June 3/4 in Paris or immediately upon his arrival at Versailles for bilaterals. Other bilaterals can be scheduled on Sunday. Will decide on sequence and timing of bilaterals in early May in light of our overall objectives at Versailles and breaking international issues.
- Sunday June 6 Session. Need to decide whether there will be a session Sunday afternoon or free time until the press conference (Hormats will discuss with Attali).
- Dual-Summit Relationship. Need to decide what will be overall relationship between Versailles and NATO Summit.
- U.S. Initiatives. Need decisions on specific initiatives U.S. might take in food and other areas.

Status

The SIG process under Larry Eagleburger's chairmanship has established an Action Plan, punctuated by key milestones on the way to June 9-10 (see Tab 5a attached). The process is crawling along, a reflection of three essential factors: 1) the normal lag-time involved in coordinating between 15 sovereign capitals; 2) some sharp State-Defense differences on the concept of the Summit itself (and who should comprise our delegation); and 3) unresolved questions concerning how the NATO Summit will fit in the President's overall travel program, particularly in connection with the bilateral segment in Bonn and the decisions to be made on a likely Berlin add-on.

In the meantime, the major NATO Summit-related issues which require resolution include the following:

-- Character of June 9 evening social event. The Germans are proposing either a reception or a dinner, and we should determine which better suits the President's interests (we need to weigh in with our preference without delay if we are to influence the choice).

(NSC recommendation: push hard for short reception - 7 to 9 - which will free the President for lengthened staff time and pre-Summit reading/briefing).

-- Question of SecDef inclusion in delegation (see Tab 2). Secretary-General Luns, when you saw him in Brussels, firmly indicated his opposition to the participation of defense ministers at the Summit, given both the brevity of the meeting, the desired emphasis on political unity, and the fact that the presence of defense ministers would adversely affect the chances of high-level French attendance.

(NSC recommendation: go with Luns' views in this matter, which are shared by the great majority of our allies).

-- Character of President's participation. We need to decide whether the President should deliver a set-piece presentation (which will ensure a monotonous recital of prepared views from the rest of the participants) or structure the proceedings to focus on more informal remarks keyed to a loose agenda.

(NSC recommendation: strongly favor retaining flexibility, with a few key points on specific agenda items rather than long readings of prepared texts).

-- Bilateral meetings on margins of the Summit. We need to determine whether the President will conduct any bilateral meetings (apart from the program with Schmidt) around the edges of the NATO Summit in Bonn, and if so with whom. We can anticipate requests from various participants for such bilaterals.

(NSC recommendations: Severely limit the number of such meetings, with emphasis on smaller countries with whose leaders President has not already met (preferred candidates in order of priority: Portugal's Balsemao if he is head of Portuguese delegation; Norway's Willoch; Greece's Papandreou; Turkey's Evren).

-- Wise Men's Study. The question of whether or not we push for a Wise Men's Study on Alliance tasks as part of the Summit program remains a key substantive item to resolve.

(NSC recommendation: To be developed shortly).

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KEY MILESTONES ENROUTE TO NATO SUMMIT
June 9-10, 1982

- March 24: NAC PermReps discussion of Summit Declaration (draft document to emphasize Allied unity; Western values vs. Soviet reality; relevance of Alliance to current and foreseeable strategic concerns).
- March 25: Circulation of issues and themes for Summit (anticipated language on Western political cohesion; Allied response to East-West problems, including technology transfer and credits; necessity of increased defense effort, particularly in conventional forces area; out-of-area contingencies; and possible Wise Men's study idea).
- April 1: SIG review, reconciliation of issues and themes.
- April 2: Senior White House Group meeting to discuss linkage between Versailles and NATO Summits (NB. SWHG meetings hereafter will probably have both Summits on the agenda).
- April 5: Possible Presidential letter to Allies pushing for consideration and adoption of our issues and themes.
- April 6: Begin consultations with Hill looking to Joint Resolution reendorsing American commitment to the Alliance.
- April 7: Quad political directors meet in Brussels to review general Summit preparations and pre-cook basic substantive scenario.
- April 22-25: Secretary Haig's visit to London to meet with Mrs. Thatcher and Carrington, develop further U.S.-UK concerting of Summit approach.
- May 4: Possible Presidential speech to serve as curtain-raiser, scene setter for European trip, with general reference to Summit objectives (further dumping on Brezhnev freeze proposal combined with possibility of positive initiative?).
- May 6-7: DPC at Defense Minister level in Brussels.
- May 10: SIG to review bidding post-DPC, post-London and to examine draft Presidential presentation, together with Luxembourg Ministerial Prep.
- May 14: NSC (if needed) to review totality of Summit preparations, resolve critical issues.
- May 17-18: Spring Ministerial in Luxembourg (Foreign Ministers will seek to finalize Summit Declaration, Summit agenda, items, etc.).
- May 24: Final SIG to review totality of Summit preparations, determine if NSC is required on any outstanding issues.
- May 28-June 2: Briefings for the President (to include both Summits).

-- June 8: Possible Presidential speech in London which may bear on Summit themes (issue needs to be resolved).

-- June 9: Possible Presidential speech in Bundestag in Bonn which may bear on Summit themes (issue needs to be resolved).

-- June 9-10: NATO Summit (dinner or reception on evening of 9th, substantive meeting itself on 10th).

Two additional milestones, at present peripheral to main Summit concerns, should be flagged because of their possible later relevance to the Summit process: 1) the March 23-24 meeting of the NPG (whose focus on arms control and nuclear matters may have a bearing on defense-related issues at the Summit); 2) an April 24-25 meeting of the Economic Summit "sherpas" to be held in Provence, augmented by the presence of political directors (this may help intertwine appropriate areas of dual-summit concern, particularly in the technology-transfer and credit areas).

Recommendation: You and I should call a Senior White House Group meeting on NATO for April 2 (which would also address the linkage between the two Summits).

UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ENCLOSURES

RECEIVED 31 MAR 82 09

imp 4/11/08

TO PRESIDENT

FROM HAIG, A

DOC DATE 30 MAR 82

*File
France
Summit*

KEYWORDS: NATO FRENCH SUMMIT
ECONOMICS START
JAPAN CM

SUBJECT: LINKAGE FOR VERSAILLES & BONN SUMMITS

URGEI

ACTION: PREPARE MEMO FOR CLARK DUE: 31 MAR 82 STATUS S FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

RENTSCHLER

NAU

BAILEY

MYER

GREGG

KRAEMER

TYSON

Jim, this has not been coordinated with anyone. The proposal to be more on executive order, a lot to monitor one, will send Regan through the need. I suggest we recommend to Clark that the paper be used for the Bonn by the Versailles meeting and then review for a NSC meeting.

LINHARD

CHILDRESS

WHEELER

COMMENTS **CABINET LEVEL - 3 HR TURNAROUND REQUIRED

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8208486

THE SECRETARY OF STATE
WASHINGTON

March 30, 1982

MEMORANDUM FOR: THE PRESIDENT
From: Alexander M. Haig, Jr. *AMH*
Subject: Versailles and Bonn Summits:
Linkage

Your European trip will be a major foreign policy event, and can set the framework for Allied economic and security cooperation for years to come. The international institutions established in the immediate post-war period need modernizing. Your participation in the June Summits can energize this process.

Two major dynamics will affect both Bonn and Versailles:

o The outcome at Versailles will shape the results at Bonn. The Allies are focused on our projected budget deficits and their implications for interest rates. Clearly, the state of the U.S. economy at the time of the Summits will have a significant impact on the attitudes of your interlocuters and the atmosphere surrounding the meetings.

o Equally, any decision on START will have to be taken with an eye to the international environment. The timing and substance of your START decisions will go far to determining the atmospherics of the entire trip and the degree to which the Allies will be responsive to our concerns and objectives at Bonn.

Attached is a framework for approaching both Summits in a coordinated manner.

Attachment:

As stated.

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RDS-3 03/30/02

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NLRR MD7-081 #150004

BY CU

DATE 4/23/10

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THE JUNE SUMMITS

(I) THEMES

- o Strengthen your personal leadership of revitalized and more unified West.
- o Emphasize your role as a man of peace, blunting appeal of peace movement in Europe and of freeze movement in U.S.
- o Reinforce Western solidarity on our approach to economic problems, especially trade and East-West issues, avoiding acrimony over U.S. domestic economic policy.
- o Enhance West's ability to bring about, through a more sober appreciation of the global Soviet threat, a more constructive East-West relationship.
- o Build a new consensus in the Alliance on the importance of strengthening conventional defense.

(II) OUR OBJECTIVES

Versailles

- o Confirm necessity of reducing inflation, of promoting private sector activity, and of greater reliance on the market to revitalize Western economies; explore avenues for greater coordination of policies.
- o Political commitment to resolving problems which face multilateral trading system and to a productive GATT ministerial this fall.

Specific Initiatives:

- Agreement on limiting volume and terms of official credits to the Soviet Union and on implementation mechanism.
- Seek framework for investment similar to GATT in order to promote freer flow of international investment.
- Propose multilateral "food teams," reiterating the importance of agricultural policy for development, as presented at Cancun.

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-2-

- Focus energy discussions on the value of market forces in addressing the global energy problem; propose cooperative means to assure stable energy supplies.

Bonn

- o Reaffirmation of health, vitality and resolve of Alliance to respond effectively to the Soviet threat.
- o Acceptance by the Alliance of our framework of restraint and responsibility for dealing with the Soviet Union.
- o Allied support for our arms control policy.

Specific Initiatives:

- Revitalized Allied emphasis on conventional defense, which will inter alia reduce reliance on nuclear weapons.
- Celebration of Spanish accession to NATO.
- Fresh MBFR proposal.

(III) WHAT THE ALLIES WANT

- o Concrete actions on projected U.S. budget deficits as means to lower U.S. interest rates. (Versailles; also fundamental to achievement of our objectives at Bonn.)
- o Concrete earnest of U.S. interest in arms control, particularly initiation of START talks (Bonn; affects our ability to achieve our objectives at both Summits).
- o Europeans want us to join in condemning Japanese trade policies; Japanese want us to stand with them to avoid their being singled out (Versailles).
- o Greater U.S. willingness to stabilize foreign exchange markets (Versailles).
- o End of U.S. efforts against pipeline (Versailles/Bonn).

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- 3 -

o More timely and substantive consultations on issues of interest to the Allies and Japan (Versailles/Bonn).

(IV) OUR LEVERAGE

o Timing and handling of START announcement; substance of U.S. START position; progress in MBFR; and willingness to adopt forthcoming approach to the Second UN Special Session on Disarmament in New York in June.

o More cooperative approach to exchange rates.

o Support for Genscher proposal for informal NATO consultations.

o Demonstrate constructive Polish policy by reiterating commitment to aid to Poland if Western conditions met.

(V) OPPORTUNITIES TO EXERT LEVERAGE

o Overall, ensure that any U.S. action, domestic or international, in an area of Allied concern is used to achieve U.S. Summit objectives. Timing in using following tools will be crucial.

-- Presidential speeches, to set framework and tone for Summits.

-- Presidential letters and other timely approaches to Allied leaders, especially Schmidt, to lay out objectives and mobilize support.

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MEMORANDUM

SYSTEM II: 90189

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~
~~WITH SECRET ATTACHMENT~~

March 31, 1982

*File
France
Summit*

ACTION

MEMORANDUM FOR WILLIAM P. CLARK

FROM: HENRY R. NAU *HBN*

SUBJECT: U.S. Position Papers for the Versailles Economic Summit

At Tab I is a memo from you to the President asking him to review and approve summaries of three U.S. position papers which will be distributed to other Summit governments as part of the Versailles Economic Summit preparations.

After extensive discussions with Hormats, Leland and Ikle, I have decided not to recommend a NSC meeting on these papers. Such a meeting would have had informational benefits for the President but is not necessary to resolve specific issues. The paper summaries attached to the President's memo give him a general sense of the direction in which we are heading.

RECOMMENDATION: That you sign the memo to the President (Tab I) with attachments (Tab A) asking him to approve the position papers for Versailles.

APPROVE _____

DISAPPROVE _____

Attachments

- Tab I Memo to the President
- A Summary papers

~~CONFIDENTIAL~~
~~WITH SECRET ATTACHMENT~~

Review 3/31/88

~~SECRET~~

DECLASSIFIED
NLRR MDT-0811 #50855
BY RW NARA DATE 10/1/10

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MEMORANDUM

SYSTEM II: 90189

~~CONFIDENTIAL~~
~~WITH SECRET ATTACHMENT~~

THE WHITE HOUSE
WASHINGTON

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM P. CLARK

SUBJECT: U.S. Position Papers for Versailles Economic Summit

Issue

You are being asked to approve three position papers on East-West economic relations, energy security, and relations with developing countries, which the United States has prepared for distribution to other Summit governments as part of the Versailles Economic Summit preparations.

Facts

The Personal Representatives of the Versailles Summit leaders meet again on April 24-25 to discuss agenda items and review position papers for the June Summit. The agenda items include domestic economic policy, trade, East-West economic relations, energy, North-South issues, and technology. The U.S. has principal drafting responsibility for the East-West economic relations paper. In addition, we are providing contributions on economic policy coordination, international investment issues, energy security, and relations with developing countries to papers being drafted by other Summit countries.

Discussion

The East-West economic relations paper addresses a priority U.S. issue at the Summit. It reviews progress on this issue since the Ottawa Summit and emphasizes the new U.S. effort to control credit flows to the Soviet Union. All agencies agree that the credit not the pipeline issue is key for Versailles, that the focus should be on the Soviet Union, that the objective is to eliminate trade and credit subsidies to the Soviet Union, that the allies should reach agreement in this area before the Summit, and that the Summit should endorse arrangements for exchange of information on credit flows to Eastern Europe and the Soviet Union and for restraint on official credit flows to the Soviet Union.

The papers on energy security and relations with developing countries are less controversial and emphasize progress achieved in these areas over the past year. Summaries of the three papers are attached at Tab A.

Recommendation

That you approve the three papers for distribution to other governments.

OK _____ NO _____

~~CONFIDENTIAL~~
~~WITH SECRET ATTACHMENT~~
Review 3/31/88

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Prepared by:
Henry R. Nau

BY RUS
NLRD MD7-0811 #50856
NARA DATE 10/11/0
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~~CONFIDENTIAL~~

East-West Economic Relations

NLRR 007-181 #50857

SUMMARY

Cal

4/13/10

Results of Ottawa Summit

East-West economic relations was a principal topic at the Ottawa Summit meeting last year.

A major result of that discussion was a commitment to support the convening of a high-level COCOM meeting. This meeting was held in Paris on January 19-20, 1982 and achieved important progress from the U.S. point of view on the need to strengthen COCOM.

Post-Ottawa Developments

Two major developments have occurred since the Ottawa meeting.

One is the serious deterioration in the economic and financial situations of a number of the countries of the Eastern bloc, Poland being the most serious case.

The other is the December 13, 1981, declaration of martial law in Poland, which has seriously exacerbated the Polish economic dilemma.

The Summit countries have responded to the Polish crackdown by taking both political and economic steps against the Polish government and the Soviet Union. The commercial banks have cut off medium- and long-term commercial financing and reduced short-term lending to the Eastern European countries.

Most recently the United States has proposed that the allies develop a cooperative framework to restrict significantly the flow of officially supported credits to the Soviet Union.

The rationale for this proposal is twofold. The economic aspect is that the Soviet Union is becoming a bad credit risk, and we seek to avoid giving the Soviets the kind of "reverse" leverage over us that Poland has. The strategic rationale is that it makes no sense to extend official credits to our adversary when the Western defense expenditures are so high.

The United States places a great deal of importance on achievement of an agreement along these lines, and will be pursuing bilateral discussions to develop the specifics. If this process is sufficiently advanced, the Summit participants will be asked to endorse arrangements for exchange of information on credit flows to Eastern Europe and the Soviet Union and restraint on official credit to the Soviet Union.

~~CONFIDENTIAL~~

Energy Security at the Versailles Summit

SUMMARY

Energy today remains a vital element of overall economic performance in Summit countries. Indeed, instead of a constraint on economic development, as we have viewed it in the past, energy may be a factor contributing to recovery. Lower prices for energy bring long awaited relief from inflation and higher wage and business costs.

There are abundant and economically attractive energy resources within the Western community. Developing these resources will allow revenues to stay at home, reduce inflation and bring new employment and economic opportunities. At the Versailles Summit, we should renew our commitment to develop indigenous energy resources through greater reliance on market forces supplemented by government action when broader Western economic and security concerns are threatened.

Energy security also involves a prudent concern for political and strategic factors. A threat to the energy security of one country is a threat to the security of all. In recognition of this fact, the major industrialized democracies have jointly developed means within the International Energy Agency and European Community to minimize at acceptable cost the disruptive effects of energy shortfalls.

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NLRR 1807-081 # 50858

BY CU NARA DATE 4/23/10

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Relations with Developing CountriesSUMMARY

The Ottawa and Cancun Summits laid major emphasis and developed new common ground on relations with developing countries. As a result of these efforts, the governments of some developing countries appear to have adopted more serious policies, recognizing that aid and international reform are not panaceas, that their domestic resources, efforts, and policies are the most important determinants of development, and that the private sector has a role to play.

It is important for Versailles to foster this new pragmatism and to ensure that the "spirit" of Cancun becomes the norm wherever consultations and negotiations take place, rather than to give credence to the proposition that many problems would be solved through "global negotiations." Work continues to go forward in many specialized fora of the UN system and elsewhere. In the UN General Assembly, Summit countries have fulfilled their Cancun promise to support "with a sense of urgency" a consensus to launch global negotiations. In preparation for Versailles, we should ask ourselves if there are other fora which would be appropriate for increased consultations and cooperation with developing countries.

The Reagan Administration has moved in numerous practical ways to implement general policies outlined at Cancun. It secured Congressional approval for the first Foreign Assistance Act in three years, and launched an unprecedented Caribbean Basin Initiative which combines trade, aid and investment to promote self-sustaining growth. The U.S. will explore this year possible new initiatives in agriculture, taking to the multilateral level President Reagan's initiative to send Agricultural Task Forces to developing countries to strengthen domestic agricultural policies and programs. It is also giving special consideration to trade problems of the developing countries in preparation for the GATT Ministerial in November.

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NLRR 1007-081 450859

BY CA NARA DATE 1/23/10

CONFIDENTIAL

Summit papers NSSD

30

File
France
Summit

Meese Chaining

Econ. policy coord. - attack causes, direct pressure for attacking symptoms.

Investment

Baldrige - give OECD boost in taking action on these probs.

Specific recommendations - rather than just discussion.

Van Lennep wants to see OECD become more than a study org.

Need to take Japan on in trade area. Reinf. by Agric.

French no support; British maybe.

Hornats - two or three specific items to be achieved at Summit

Meese - give \textcircled{P} specific exs. of what we mean.

Rec. this initiative to \textcircled{P} .

Econ Policy Coord.

Shift us from defensive to offensive - show will wagners to cooperate
Puts us in pos. to press them to do things & to go out to them ^{of other goals.} implies.

Meese - puts us into areas of control. Both in terms of what we seek to avoid and what we want to do.

Hornats - two control issues - econ. pol. & exp. Subsidies include multil. trading system - momentum to GATT - and E-W econ. rels. Need greater cohesion on econ. issues

- avoid acrimony on ind. rates

- talk more @ exch. rates, dem. sensitivity, make link betw. exch. rates & underlying goals

- identify trade priorities - Europe revisits.

Regan - use OECD & wider in IMF/IBRD meeting to talk @ intervention - can say by Vers. that we have started.

Will take edge off issue

No credit for inflation and reduction in oil demand

Smoothing is not issue, it seems, level of concern

Hornats - some interv. at times to settle markets when they overshoot.

Baldrige - what @ exp. by policy?

Regan - reached in several wks. further disc. What do we want out of the Summit? and from each country?

Weidenbaum - avoid use of word symptom

E: CASSE

31



DEPARTMENT OF STATE

Washington, D.C. 20520

- 1 APR 1982

CONFIDENTIAL

*File
France
Summit*

MEMORANDUM FOR
MR. MICHAEL K. DEEVER AND MR. WILLIAM P. CLARK
CO-CHAIRMEN
SENIOR WHITE HOUSE GROUP ON VERSAILLES SUMMIT

SUBJECT: Versailles Summit: Youth Initiative

You will recall that we discussed a possible initiative on the "successor generation" at our meeting on February 20. At that time, Mike Deaver asked that I not raise this as a formal proposal but do some work on it within the U.S. Government and discuss the idea informally with my colleagues at the February meeting of the Personal Representatives.

Secretary Haig and Charlie Wick have now sent a memorandum to the President proposing a youth fellowship exchange program which would be announced in conjunction with a White House conference in late May. This proposal would be ideal as a U.S. initiative for the Versailles Summit.

Should the President approve it, I could inform my Summit colleagues of our interest in moving ahead with such a program and request that they consider doing the same, paving the way for a specific announcement of a joint program by all the Summit Nations. If you agree, your cover memorandum to the President could bring out this possible connection with the Summit so that he sees it in a Summit context. We could then ask Charlie Wick, who is now in Europe, to have an initial round of discussions with his counterparts to coordinate planning.

I am enthusiastic that this could turn into an excellent U.S. proposal for the Summit and hope that you can put it before the President as soon as possible.

RLB

Robert D. Hormats
Assistant Secretary for
Economic and Business Affairs

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~~CONFIDENTIAL~~
(GDS - 4/1/88)

BY OW NARA DATE 4/23/10

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THE SECRETARY OF STATE
WASHINGTON

March 30, 1982

CONFIDENTIAL

MEMORANDUM FOR: THE PRESIDENT

From: Alexander M. Haig, Jr. *[Signature]*
Charles Z. Wick *[Signature]*

Subject: Initiative To Set the Stage for Your Trip to Europe

82
MAR 30

We face a major problem in Europe with the growing tendency among young people there to blur the distinction between democratic and communist societies. Your personal involvement would be extremely helpful in addressing this problem. We suggest that on the eve of your trip to Europe you announce a new Atlantic Youth Fellowship exchange program -- a 5 year initiative aimed at substantially increasing the present level of exchanges between American and European 17-19 year olds. This program would mark the first time the USG has focused on exchanges for this age group. This effort would begin the urgent task of building a new fabric of relations among the next generation of Americans and Europeans to help replace the old fabric of ties that are fast disintegrating.

Increased contact and communication between American and European young people would improve their ability to recognize that what we share is far more important than the issues dividing us. These exchanges would focus on our mutual accomplishments -- intellectual, economic, security and political -- that have been nurtured by 35 years of peace and Western cooperation. They would help provide a vision of the future which gives youth a greater sense of having a stake in the democratic values we share.

The 35th anniversary of the Marshall Plan and the 25th anniversary of the Treaty of Rome, present an ideal context for you to reaffirm existing ties with the Allies and to launch this two-way initiative. We recommend that the White House announce a special meeting -- organized by ICA, State and the White House -- in May to examine how to best improve US-European ties. This meeting would include private and government leaders from both sides of the Atlantic. We would ask you to make brief remarks to kick off the meeting and announce our 5 year initiative for greater youth exchange.

To avoid any appearance of American largesse being heaped on a hapless Europe, the program should be a joint effort supported by government and private funds on both continents. If you approve this initiative, we will approach government and private leaders in Europe to shape their cosponsorship and coordinate the plan's announcement. This is especially important in Italy where we have already begun to lay the groundwork for a pilot project starting in September, which would significantly increase youth exchange between our two countries.

DECLASSIFIED

CONFIDENTIAL

NLRR 107-021 #50861

BY CW NARA

4/20/10

Announcing this initiative just prior to your departure would be an excellent scene-setter for your trip. By showing sensitivity to the problems of youth, it would help create a positive tone for your journey.

Recommendations:

1. That you approve the Atlantic Youth Fellowship program, a new initiative for increased U.S.-European youth exchanges.

Approve _____

Disapprove _____

2. That you agree to a White House announcement, as soon as possible, for a May meeting to examine how to improve U.S.-European ties.

Approve _____

Disapprove _____

3. That you agree to speak and to launch this new initiative for U.S.-European youth exchange at the meeting in May.

Approve _____

Disapprove _____

Drafted: EUR/P:JAMoore/ICA/EU:JJamison:140A
3/2/82 632-1888 724-9191

Clearances: P:MPalmer
EUR/CE:JKornblum
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PA:MAYoden
EUR/WE:JCreagan

C:JShirley
EU:LBaldyga
ECA:RTrowbridge/LKBrown
JGildner/RARndt
PGM:JHughes
PGM/MSchneider

35
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UNDER SECRETARY OF STATE
FOR POLITICAL AFFAIRS
WASHINGTON

3/27



March 26, 1982

CONFIDENTIAL

MEMORANDUM FOR THE SECRETARY


SUBJECT: Initiative to Set the Stage for the President's
Trip to Europe

In line with your desire for initiatives before the Summits in Europe, we have developed the attached initiative geared to the successor generation -- particularly those who have not already been politicized in universities. It would be launched at a meeting in May devoted to strengthening the fabric of Atlantic relations.

We are also exploring with Consular Affairs the possibility of breaking loose the Non-Immigrant Visa Waiver Bill before the President's trip. Perhaps this could be announced at the same meeting in May as another tangible way of building Atlantic ties.

Recommendation:

That you initial the attached memorandum to the President.

Lawrence A. Eagleburger 

DECLASSIFIED

NLRR 1007-081 750867
BY CW NARA DATE 4/20/10

CONFIDENTIAL
GDS 3/26/88

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File
France
Summit

MINUTES
CABINET COUNCIL ON ECONOMIC AFFAIRS

April 2, 1982
8:45 a.m.
Roosevelt Room

Attendees: Messrs. Regan, Meese, Baldrige, Edwards, Weidenbaum, Harper, Porter, Fuller, Trent, Lovell, Sprinkel, Hormats, Leland, Dederick, Schneider, McFarlane, Nau, Hemel, Feulner, Ms. Dunlop, and Ms. Small

1. Versailles Summit: Investment Initiative

The Council reviewed a paper, prepared by the Department of the Treasury, on a potential investment initiative for the Versailles Summit.

Mr. Sprinkel's presentation focused on growing governmental intervention in international investment decisions, the inadequacy of current mechanisms for maintaining free capital flows across international borders, and the need for new multinational investment rules comparable to trade rules established under the General Agreement on Tariffs and Trade (GATT). Mr. Sprinkel also discussed the procedures for circulating a draft paper on establishing new international investment rules to our allies before the summit, as well as the purpose of discussion papers in generating ideas for consideration at Versailles.

The Council's discussion centered on the procedures for circulating the summit papers, previous work on international investment conducted by OECD study groups and the GATT Ministerial, the need for the U.S. to make specific recommendations at the Summit regarding multinational investments, and the need to discuss certain issues bilaterally with Japan. The Council also discussed the degree of specificity the U.S. investment proposals should contain.

2. Versailles Summit: International Economic Cooperation

The Council reviewed a paper, prepared by the Department of the Treasury, on a proposed U.S. initiative on international economic cooperation for the Versailles Summit.

Mr. Sprinkel's presentation focused on the need for the industrial nations to pursue convergent long-term economic policies, the impact of differential inflation rates on currency fluctuations and real economic activity, international pressures for the U.S. to intervene in currency markets and to reduce the appreciation of the dollar relative to the values of foreign currencies, and the drawbacks of government intervention in international currency markets. Mr. Sprinkel also discussed foreign perceptions of current U.S. economic policies, the need to focus international discussions on achieving consistent long-run policies between nations, the effects of U.S. budget deficits on interest rates internationally, and the selection of the forum in which to begin discussion of the international economic cooperation initiative.

The Council's discussion centered on the strategic approach that the U.S. should take towards the Versailles Summit, ongoing efforts to reduce western trade credits and subsidies to the Soviet Union and the Eastern Bloc, the need to avoid acrimony at Versailles over high interest rates, and the political pressures high domestic unemployment rates place on European economic officials. The Council also discussed the problems posed by foreign nations subsidizing their steel and agricultural industries, the use of OECD and World Bank/IMF meetings to begin discussion of certain matters prior to the Versailles Summit, European perceptions of U.S. budget deficits, and the need to distinguish between international concern over short-run currency fluctuations and the long-run values of the dollar and other currencies.

Decisions

The Council agreed that the papers on the investment initiative and on international economic cooperation were suitable for circulation to the country representatives of the nations participating in the Versailles Summit.

The Council also agreed with Mr. Meese's suggestion that the Council consider overall U.S. strategy regarding the Summit during the week of April 19.