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NOTE FOR THE RECORDPREPARATIONS FOR THE VERSAILLES SUMMIT

There was a meeting of the Personal Representatives of the European Heads of State or Government involved in the Economic Summit in Versailles at the European Commission, Brussels on Monday 29 March 1982 at 1315 hours. Those present were -

Sir Robert Armstrong	United Kingdom
Monsieur Jacques Attali	France
Signor Sergio Berlinguer	Italy
Monsieur Jacques Durieux	Presidency, European Commission
Herr Horst Schulmann	Federal Republic of Germany
Monsieur Jacques van Ypersele	Presidency, European Council

M Attali outlined the latest timetable for the Versailles Summit (events in the Chateau unless otherwise indicated) -

Friday 4 June: Working dinner for Heads of State or Government only at Grand Trianon

Saturday 5 June: 9.30 - 1 pm First Plenary Session

1.15 pm Lunch for Heads of State or Government and Foreign Ministers

3-6 pm Second Plenary Session

9 pm Working Dinner for Heads of State or Government only at Grand Trianon

Sunday 6 June: 9.30 - 12 Noon Third Plenary Session followed by "family portrait"

1-2.30 pm Lunch for Heads of State or Government plus two Ministers

2.30-4 pm Fourth Plenary Session

5.30 pm General Press Conference, followed by 6.30 pm National Press Conferences

8 pm Dinner in the Galerie des Glaces

M Attali said that the White House were pressing to get rid of the lunch and final session on Sunday 6 June, in order that the United States President should have an uninterrupted period of at least four hours to prepare for the press conference. This was not acceptable to the French President. On past form a session on the Sunday afternoon would be required to finalise the

business. The United States President would have had three hours between 6 pm and 9 pm on the Saturday evening, as well as 1½ hours between the end of the final session and the beginning of the press conference on Sunday afternoon. President Mitterrand hoped that he would be supported by his colleagues in this.

M Attali said that President Reagan would be arriving in Paris on Thursday 3 June. They were discussing with the White House a programme for the morning and early afternoon of Friday 4 June. One possibility was that the President might visit Omaha Beach in Normandy, where the Americans landed in 1944. He suggested that this was something with which the Prime Minister might conceivably like to associate herself; President Mitterrand might go with President Reagan, if he went to Omaha Beach.

Turning to the document which would emerge from the Versailles Summit, M Attali said that President Mitterrand was anxious that discussion among Heads of State or Government at Versailles should be as little restricted as possible by documents prepared in advance. The President hoped that it would be possible to get away from the traditional communique, and to go instead for a political declaration of two or three pages at the most. This would consist mainly of political language, though it might (if Heads of State or Government could agree) contain proposals on technology and investment to reduce unemployment. I said that I thought the Prime Minister, who had not cared for the long and specific communiques at Venice or Ottawa, would warmly welcome the President's preference for a short political declaration; but there would be a risk that, if there were not an agreed statement of position on the issues discussed, national briefings would reveal divergences of view among the countries represented in a way which might not be helpful. Signor Berlinguer and Herr Schulmann agreed.

Herr Schulmann reported briefly on a recent visit to the United States. His general impression, after seeing some 40 people, was of a situation where one man - the President - was opposed to the whole of the rest of the United States on economic policy. Many of those to whom he had talked thought the situation would be resolved within two months, because after that the prospect of Congressional elections of November would inhibit action. Present estimates

of the budget deficit for fiscal 1983 varied between 120 and 160 billion dollars. It would be impossible to bring this down lower than about \$80 billion. If measures were taken, they were likely to consist of a combination of defence cuts, de-indexing social security benefits, and unspecified 'revenue enhancing measures'.

M Attali said that when President Mitterrand had visited the White House, in order to discuss with President Reagan prospects for the Versailles Summit, he had discussed the possibilities of modifications of United States monetary policy; closer collaboration between the European Community and the United States in dealing with the problems of Japanese trade; policy on North/South relations; and new technology. On the first of these, President Reagan had said that he could not help. He had been interested in the possibility of greater co-operation between Europe and the United States in dealing with Japanese trade problems. On North/South relations he had been unyielding: very harsh on the prospects of global negotiations, and insisting on "not a dollar more" for the sixth replenishment of IDA.

M Attali said President Mitterrand had been dismayed by what he had learnt on the United States position on East/West trade relationships. They seemed to think that an embargo on trade and credit could produce a situation in which the Soviet army would revolt and bring down the regime.

Turning to President Mitterrand's intentions for the Versailles Summit, M Attali said that the President was hoping to establish a measure of agreement on four questions -

- a. the selfishness of United States monetary policy;
- b. the selfishness of Japanese trade and economic policies;
- c. the need of the developed countries to be less selfish in dealings with the developing countries; specifically, new proposals on IDA and perhaps on food;
- d. new proposals on technology.

Herr Schulmann said that while he was in Washington he had had some discussions with the United States Administration on the need to give short-term financial assistance to Hungary. The Administration were lukewarm about Hungary's membership of the IMF, but would not oppose it. In relation to the proposed idea of short-term assistance through the BIS, the most the Americans would say was that they would not criticise it publicly.

M Attali said that it had not been possible to arrange for the next meeting of Personal Representatives to be held in Provence, as he had hoped. It would now be held from dinner time on Friday 23 April to dinner time on Sunday 25 April at the Chateau de Rambouillet. The detailed timetable would be as agreed at the meeting of 27 and 28 February. Representation would be strictly limited to three per country (the Personal Representative plus two experts), and two from the European Community (one from the Presidency of the Council and one from the Presidency of the Commission).

RTA

31 March 1982

cc Mr Coles, 10 Downing Street
Mr Fall, FCO
Mr Kerr, Treasury

Sir Michael Palliser
Sir Kenneth Couzens