

SUBJECT  
CE Mark

SATURDAY EVENING 5 JUNE 1982

President Mitterrand reminded his guests that this was a working meal and invited suggestions for discussion. The Prime Minister said that it would be thought strange if the Summit said nothing about the dramatic developments in the Middle East and there was a general but not very illuminating conversation concluding with the proposal to invite Foreign Ministers to spend half an hour working out suitable language to be submitted to Heads of Delegation in time for the closing session at 2 p.m. next day. Much of the time was taken up by a very long piece by President Reagan about how all the biblical prophecies of the approach of Armageddon seemed to be coming about.

Little was said about the Iran/Iraq war which the Prime Minister had also proposed as a subject for discussion. President Reagan said that not only President Mubarak but other "moderate" Arab Prime Ministers had expressed fear that an Iranian victory could result in a Shia/Sunni. Chancellor Schmidt said he had also heard that the Israelis had been helping Iran and enquired whether this kind of thing was covered by the American "strategic understanding" with Israel. Mr. Regan said not: the "understanding" was only about the use to be made of American weapons. Chancellor Schmidt expressed grave misgivings about the future of Israel but at this point President Reagan returned to Armageddon and the discussion ran out.

President Mitterrand then launched a theoretical debate about how to deal with the Russians which developed into an exchange between President Reagan and Chancellor Schmidt who reminded his colleagues that he was speaking from experience both of negotiation over many years and from having fought the Russians nearly all the way to Moscow and back.

Mr. Suzuki then took the floor and said that before coming to Versailles he had had a discussion with the Japanese Prime Minister who had told him that he had received many proposals for reconciliation from the Soviet Union but in view of the long years of confrontation had replied that he would not respond to such advances, nor trust the Soviet Union, only on the basis of words: if they were sincere they must take concrete action -  
/for example,

for example, removing a million Soviet troops from the frontier, stop moving military facilities for Northern Ireland on Japan; retire from Afghanistan and so forth. Unless the Soviet Union behaved more reasonably, the Chinese Prime Minister had said, he would continue strongly to resist the Soviet hegemonism.

Mr. Suzuki said that the Chinese were open to friendly approaches from the West and wished to avoid any disagreements; in order to bring off their plans for a new modernised China they needed not only time but Western technology and financial support. Japan was linked to China in many ways and thought it important to remain open and friendly; it was of the highest importance to help Chinese efforts on modernisation and not to drive China into the arms of the Soviet Union.

Mr. Trudeau produced lone reflections about the principle of negotiation with the Soviet Union which developed into another round of the debate between President Reagan and Chancellor Schmidt.

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After dinner President Reagan returned to the idea of using credit policy as a means of obtaining compliance with the Helsinki agreements. The Prime Minister said that she would be prepared to take a tougher policy on credits to obtain progress on human rights but she was gravely concerned about Soviet policy. The Russians had invaded Afghanistan and we were now dealing with them as if Afghanistan were not occupied. They had set up a military government in Poland; if she were in the Kremlin she would think that she could do whatever she pleased and that the West would merely make outraged noises, pass resolutions and then after a year or two forget about it. Moreover, the Russians still had surrogate troops in Africa and maintained the political challenge of subversion. Mr. Trudeau said that they were only applying subversion where there was poverty. The Prime Minister referred to communist influence in trade unions and this set off President Reagan on another long intervention about his early experiences in Hollywood.

/ Mr. Suzuki

Mr. Suzuki then delivered another set piece. He said that the Soviet Union had used military power for expansionist ends (giving examples) but the countries taken over were a heavy burden both militarily and economically. The Soviet Union should be left to carry these burdens; their economy and the economies of Eastern Europe were not a very bad condition and he believed that the Soviet Union would have no choice but to respond to American calls for disarmament. He thought that we should try to establish the principle of limiting official credits to the Soviet Union if we could agree on a standard which all would observe. If we could not establish such a standard we should forget the idea, otherwise we should only be showing up our own divisions. As to what limits should be set, he proposed that question should be studied by the Ministers concerned. He thought that the Soviet economy was their "Achilles feet" (as interpreted).

At this point discussion was interrupted by President Mitterrand's reading of a message he had received by telephone from the Secretary General of the United Nations about an emergency meeting of the Security Council about developments in the Middle East. There was a short unstructured discussion until the Prime Minister suggested that we did not yet know enough about what had happened to take any decision, and the matter was left for President Mitterrand to obtain more details of the Secretary General's message from his officials, and for study by the Foreign Ministers.

Signor Colombo said he thought it impossible to have a unified policy on credits and trade with the Soviet Union, because the economic position in all our countries (rate of inflation, etc) was different. (Chancellor Schmidt pointed out that no policy vis-a-vis the Soviet Union would be effective unless it also applied to the whole Eastern bloc, which opened up all kinds of problems. East-West trade was only of slight importance to the USSR itself.)

P L CARTER

6 June 1982