

Prime Minister

Ref. A083/1369

MR COLES

Williamsburg Economic Summit: Meeting of Personal Representatives
11-13 May

I attended a final meeting of Personal Representatives before the Williamsburg Economic Summit from 11 to 13 May. The meeting took place in Paris, since most of the Personal Representatives were already there for the OECD Ministerial Meeting.

Political Issues

2. We had a report of a meeting of Political Directors earlier in the day. The United States delegation have proposed that all four meals - dinner on 28 May, lunch and dinner on 29 May and lunch on 30 May - should be taken by Heads of State or Government on their own, without Foreign or Finance Ministers. It is proposed that the meals should be used for political discussions: arms control and INF on the evening of Saturday 28 May, East/West political relations at lunch on 29 May and the Middle East at dinner on 29 May. The lunch on Monday 30 May would be used as a "wrap up" session. In general there would be no statements on political subjects from the Heads of State or Government. The Canadian Political Director had, however, proposed that Heads of State or Government should issue a statement or "open letter" to Mr Andropov on INF. This might be released on Sunday 29 May. The statement would support the zero option, and the intermediate proposals as a stage to the zero option; it would support the exclusion of British and French strategic nuclear weapons from the INF negotiations; and it would insist that the reduction should be global (ie that the Russians could not make up on their eastern border what they reduced on their western border). The United States Political Director had undertaken to prepare a draft which would be considered with other Political Directors before Williamsburg.

3. Personal Representatives were cautiously attracted by this proposal, but emphasised the need for absolute discretion before Williamsburg: if it became known that there was a possibility of such



a statement, then failure to agree upon the statement at Williamsburg would do more harm than if there had been no suggestion of a statement in the first place.

4. No doubt the Foreign and Commonwealth Secretary will be reporting on this matter.

Economic Issues

5. Most of the rest of the meeting was taken up with detailed discussion of the "thematic paper" prepared by the United States delegation and enclosed with the letter which President Reagan sent to the Prime Minister earlier this month. As revised, the paper was agreed as constituting a good basis for discussion by Heads of State or Government at Williamsburg. I attach a copy of the revised paper herewith.

A good paper.

6. It falls into four sections: a general introduction, an assessment, a list of points for action now, and a list of long-term policies and goals. The first two sections might well form the basis for the general discussion on the morning of 29 May, and the last two sections for the plenary discussion on the afternoon of 29 May.

7. During the course of the discussion the French Personal Representative made it clear that at Williamsburg the French President would revert to his proposal for a high-level international monetary conference - or "new Bretton Woods". But this would not be offered as a proposal for immediate action: rather as something about which we should think and towards which we should work over the coming years. The progress made following Versailles was seen as a useful step on that path.

8. It was agreed that at the end of the plenary session on the afternoon of 29 May, Personal Representatives would ask Heads of State or Government for general guidance on the structure and content of the declaration which the President is to make at the end of the meeting. As there has been no preliminary drafting of the declaration, a first draft will have to be written in the light of the guidance received from Heads of State or Government, and revised and refined as necessary through the night. It was agreed that the

American Personal Representative would be responsible for writing the first draft; but I was asked by him to work with him on that: this was in response to a wish on the part of the other Personal Representatives that the first draft should not be prepared by the Americans on their own.

9. We also received the draft of a statement which had been prepared by senior Ministry of Finance officials following up the "international monetary undertakings" which were annexed to the Versailles communique. It was agreed that this draft should go to Finance Ministers at Williamsburg; and the Heads of State or Government should consider what they wished to be done with it: whether they wished to adopt it and attach it as an annex to the declaration, or to ask Finance Ministers to issue the document, or whether not to publish it in its present form but incorporate the gist of it as appropriate in the President's final declaration. This will be a decision to be taken on the afternoon of Sunday 29 May.

10. I should add that the United States delegation made it very clear to me that the President was very much hoping that the Prime Minister would come to Williamsburg. He had been wondering whether to ring her up to press her to do so, but had thought that it might perhaps be unfair to do that: as he had said, it was more important that she should win the Election than that she should come to Williamsburg. But if she can do both, not only the President but all the other Heads of State or Government would undoubtedly warmly welcome it and be greatly impressed. The United States delegation said that, if she wanted to come out in a scheduled Concorde to Washington or New York, they would of course arrange transport for her from there to Williamsburg.

11. I am sending copies of this minute to the Private Secretaries to the Chancellor of the Exchequer and the Foreign and Commonwealth Secretary.

RIA

ROBERT ARMSTRONG

13 May 1983

May 12, 1983

I. SUMMARY INTRODUCTION

This is a time of real improvement in economic circumstances. Recovery is underway, and this fact increases our mutual confidence that it will soon spread to all countries, industrial and developing. The challenge is to ensure that this recovery endures and reverses a decade of cumulative inflation and unemployment. In this effort, we are mindful of the basic interrelationships that link our economies and the world economic system:

- The link between sustainable domestic growth and the open trading system.
- The link between convergence of domestic policies towards non-inflationary sustainable growth stability.
- The link between open markets and the availability of financing.
- The link between international economic cooperation and world progress.

To meet the challenge of an enduring recovery for ourselves and future generations requires steady and purposeful action over both the short- and longer-term, across a range of policies that exploit and reinforce these interrelationships:

- Promoting conditions for growth, employment and job creation, structural adjustment, and acceptance of technological development.
- Maintaining the fight against inflation with the objective of achieving lower interest rates and more stable exchange rates while identifying consultations on economic policies and market conditions.
- Supporting the international financial system and strengthening world economic cooperation and institutions.
- Reversing protectionism and beginning to work to achieve further trade liberalization.
- Recognizing that prosperity is more than material gain, but also reflects our basic shared values of political freedom, economic opportunity, cultural creativity, and human dignity, and

contributes to the defense of these values which also guide our economic and other relations with Eastern countries.

II. ASSESSMENT: REALISTIC OPTIMISM

Improvements are undeniable:

- Major successes have been achieved in reducing inflation.
- Interest rates have been significantly reduced.
- Productivity increases are being registered.
- Some successes in controlling budget expenditures are being achieved.
- Consensus exists to reduce inflation and unemployment on the basis of sustainable growth promoting policy convergence, further reduction of interest rates and greater stability of exchange rates.
- Measures to reduce dependence on oil have helped to bring about a decline in oil prices.
- Recovery in our countries spreading to others will help ensure the revival of world trade and easing of debt burden of many developing countries.

However, unemployment, especially among young people, remains intolerably high and continues to increase in some countries. It can be brought down only if an enduring recovery is achieved. Serious problems remain which, if untended, will endanger the prospect of an enduring recovery.

- Differences in inflation among countries remain too great.
- Inflationary expectations, together with unacceptably high current and future budget deficits and the possibility of excessive and volatile monetary growth, keep interest rates too high, threatening to inhibit investment and recovery and producing distortions and volatility in exchange rates.
- Protectionist pressures threaten our open trade and financial system and prospects for recovery in both industrial and developing countries.
- Conditions in many developing countries remain much more acute than in our own; in many of them,

unprecedented international debt burdens, exacerbated by high interest rates and low commodity prices, continue to constrain trade and, even in some cases, to threaten financial and related political stability and create human hardship.

III. COMMON APPROACH TO A SUSTAINED RECOVERY

No single country, policy or immediate action can ensure a quick or sustained recovery. Success requires a common approach involving actions taken now across a broad range of policy areas, anchored within a framework of longer-term policy goals and decisions.

Actions Now:

- Enhance the intensive consultation process initiated at Versailles to promote convergence of economic conditions in key currency countries and thereby contribute to greater exchange rate stability.
- Develop cooperative consultations on policies and exchange market conditions and, while retaining the freedom to operate independently, be willing to intervene in exchange markets in a coordinated manner in instances where we agree such intervention would be helpful.
- Encourage governments to reduce excessive budget deficits, especially by reducing expenditures, thereby lowering inflationary expectations and high interest rates.
- Pursue appropriate non-inflationary growth of monetary aggregates to achieve and maintain low inflation and interest rates.
- Halt and reverse protectionism and make use of favorable conditions provided by recovery progressively to relax and dismantle trade barriers and trade-distorting domestic measures, including those related to trade in high technology products.
- Give new impetus to resolve current problems in agricultural trade, conflicts of jurisdiction and the need to achieve a safeguard agreement (by October 1983) as mandated by the GATT Ministerial.
- Agree to press forward with the GATT work program on trade in services.
- Begin work now to achieve further trade liberalization in the GATT, focusing particularly on trade with and among the developing countries, and on their ability to export and so to service their debt.

- Secure early ratification of the increases in IMF and GAB resources and provide interim financing as appropriate.
- Reaffirm commitments to provide agreed funding levels for IDA and the other multilateral development banks.
- Continue with agreed strategy, and strengthen cooperation, for managing current debt problems, including effective adjustment, adequate private and official financing, and sustained, non-inflationary recovery in industrial countries.
- Welcome openness to dialogue expressed by developing countries at New Delhi and Buenos Aires conferences and engage constructively in UNCTAD VI, emphasizing our program for a durable recovery and practical proposals to manage debt problems, facilitate adjustment, promote trade, revive commodity markets, encourage more private investment in, and official assistance for, developing countries and strengthen the dialogue with developing countries in appropriate fora.
- Agree to consult among each other and with other countries to address interrelationships among growth, trade, and finance in the world economy and to encourage better coordination among international economic institutions.
- Implement agreed conclusions for early action reflected in the results of work programs on East-West economic relations. (Identify significant results of pre-Summit meetings.)

IV. LONGER-TERM POLICY GOALS AND DECISIONS

- Sustain fight against inflation and structural budget deficits to encourage a higher level of investment and new job creation.
- Pursue the consultative arrangement agreed at Versailles to promote economic convergence toward low inflation and sustained growth and thereby achieve greater exchange rate stability, continuing with our agreement on exchange market intervention, in the context of an open trading investment and financial system.
- Invite Ministers of Finance, in consultation with the Managing Director of the IMF, to define the conditions for improving the international monetary

system and to consider the part which might, in due course, be played in this process by a high-level international monetary conference.

- Promote technological development and trade, including their public acceptance, and in particular the implementation of the specific projects included in the program for cooperation initiated at Versailles.
- Promote structural adjustment and its public acceptance, in order to enhance competition and the flexibility of markets and to improve the allocation of resources, by all appropriate means including revitalization of training and the encouragement of mobility.
- Invite Ministers of Trade, in consultation with the Director General of the GATT, to define the conditions for improving the open multilateral trading system, including trade between developed and developing countries, and to consider the possibility of more frequent Ministerial meetings in the GATT to maintain urgency in this process.
- Examine ways to improve the effectiveness of the development process and structural adjustment by assuring non-inflationary flows of public and private finance and investment to the developing countries, with special attention to an adequate flow of resources to the poorer countries, both bilaterally and through IDA, the IBRD and similar institutions.
- Continue efforts to conserve energy and develop economic alternative energy resources so as to ensure Western energy security and enhance energy production in developing countries.
- Find practical ways to promote increasing food production in developing countries.
- Work together to find ways, without discouraging growth and technological development, to protect and preserve natural resources and to reduce the threat of pollution from industrial processes (e.g., acid rain).
- Promote cooperation in the development of human resources, including education and training and the improvement of health.

- Continue work in appropriate existing fora to develop agreed analysis of our economic relations with the East, with attention to our shared security concerns, and on this basis pursue independent policy actions consistent with agreed principles and common analysis reflecting the fact that these relations should be compatible with the basic values and security concerns of Western countries.

DRAFT STATEMENT

Strengthening Monetary Cooperation for Stability and Growth

I. We have examined in the light of our experience the procedures outlined in the undertakings agreed at Versailles last year which seek to ensure greater monetary stability in the interest of balanced growth and progress of the world economy.

II. We reaffirm the objectives of achieving noninflationary growth of income and employment, and promoting exchange market stability through policies designed to bring about greater convergence of economic conditions, in this direction.

III. We are reinforcing our multilateral cooperation with the International Monetary Fund in its surveillance activities, according to the procedures as agreed at Versailles, through the following approach:

A. We are focusing on nearer-term policy actions leading to convergence of economic conditions in the medium-term. The overall medium-term perspective remains essential, both to ensure that short-term policy innovations do not lead to divergence and to reassure business and financial markets.

B. In accordance with the mandate given to us at Versailles, we are focusing our attention on issues in the monetary and financial fields including interaction with policies in other areas. We shall take fully into account the international implications of our own policy decisions. Policies and targets that will be kept under review include:

(1) Monetary Policy. Disciplined noninflationary growth of monetary aggregates, and appropriate interest rates, to avoid subsequent resurgence of inflation and rebound in interest rates.

(2) Fiscal Policy. Discipline over government expenditures, particularly transfer payments. We will aim to reduce structural budget deficits and bear in mind the consequences of fiscal policy for interest rates.

(3) Exchange Rate Policy. We will improve consultations, policy convergence and international cooperation to help stabilize exchange markets.

(4) Policies Toward Productivity and Employment. While relying on market signals as a guide to efficient economic decisions, we will take measures to improve training and mobility of our labor forces, and accommodating continued structural adjustment, especially by:

-- Enhancing flexibility and openness of economies and financial markets.

-- Encouraging research and development as well as profitability and productive investment.

-- Continued efforts in each country, and improved international cooperation, where appropriate, on structural adjustment measures (e.g. regional, sectoral, energy policies).

IV. We shall continue to assess together regularly in this framework the progress we are making, consider any corrective action which may be necessary from time to time, and react promptly to significant changes.

Ref. A083/1393

NOTE FOR RECORD

cc Mr Coles (No 10)
Mr Fall (FCO)
Mr Kerr (Treasury)
Mr Rhodes (Trade)
Sir Antony Acland (FCO)
Sir Anthony Rawlinson (Trade)
Mr Littler (Treasury)
Mr Evans (FCO)

Meeting of Personal Representatives held at Chateau La Celle
St Cloud, Paris: 11-13 May 1983

This meeting was attended by Personal Representatives only, save that the United States Personal Representative, Mr Allen Wallis, was supported by Mr Robert Morris, Mr Henry Nau and Mr Beryl Sprinkel.

Political Questions

2. The discussion of this matter on the evening of 11 May has been separately recorded.

Representation of European Community

3. At breakfast on 12 May, Mr Allen Wallis (United States) said that the President of the European Commission had proposed that Mr Ortoli and Mr Haferkamp should attend the Williamsburg Summit and go to the meetings of the Finance and Foreign Ministers respectively as observers. He would be content to agree with whatever was acceptable to the European Personal Representatives.

4. Sir Robert Armstrong (United Kingdom) thought that the Prime Minister would not wish to object to this, provided that Mr Ortoli and Mr Haferkamp attended the meetings of Foreign and Finance Ministers respectively only as observers, and on the understanding that they would not be present at any meeting of or with Heads of State or Government.

5. The proposition was accepted on that basis.

Paris Meeting of Trade and Finance Ministers

6. Mr Beryl Sprinkel (United States) said that a number of Trade and Finance Ministers had met in Paris in the margins of the OECD meeting, together with the Managing Director of the IMF, the

Director General of the GATT and the Director General of OECD. There were no proposals for institutionalising the meeting as a Summit group. It was felt, however, to have been fruitful, and it was followed up by a further meeting the following morning. There had been a hint from the Managing Director of the IMF that he and the Director General of the GATT were exploring whether it was possible that developing countries might be willing to reduce obstacles to trade in their countries in exchange for similar gestures in the developed world.

7. Herr Tietmeyer (Federal Republic of Germany) agreed that the discussion at the dinner had been fruitful. He agreed with the point made by Mr Sprinkel: 30 per cent of the trade of developing countries was subject to restrictions, and in some countries the figure was as high as 60 per cent. He welcomed the prospect of closer co-operation between the staff of the IMF and the staff of the GATT. The IMF had said that they would look at trade as well as macroeconomic questions, and would work with the staff of the GATT. The IMF would focus on the question of opening markets. The OECD would make a study of the costs and benefits of protectionism. The discussion at the meeting of Trade and Finance Ministers could be followed up, and the issues further considered, at meetings of the G10.

8. Mr Motono (Japan) said that the Managing Director of the IMF had said that a similar range of topics had been considered at the meeting of the CG18 in Geneva. He too welcomed the prospect of closer co-operation between IMF and GATT.

Administrative Questions

9. Mr McManus (United States) said that the United States were proposing to arrange for the national television news of each of the countries whose Heads of State or Government were at Williamsburg to be relayed via a satellite to Williamsburg, where it would be taped and could be played back as required in the houses where Heads of State or Government were staying. This facility was warmly welcomed.

10. Mr McManus said that at all working meals it was proposed that each Head of State or Government should speak in his or her own language. Where that language was not English, it would be translated out loud by his or her own interpreter into English, and then

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whispered by their own interpreters from English into whatever language other individual Heads of State or Government wanted. All that each Head of State or Government would need therefore was someone who could translate from English into his own language and vice versa.

11. The simultaneous translation at the formal meetings would be provided by United States interpreters; there would no note-takers at the morning session of Heads of State or Government alone on Sunday 29 May.

12. Monsieur Attali (France) hoped that it would be possible to arrange for Foreign Ministers and Finance Ministers to take coffee with Heads of State or Government after the dinner at Carter's Grove on the evening of Saturday 28 May. He also hoped that it would be possible to arrange for the Personal Representatives to see their Heads of State or Government individually after dinner on the evening of Sunday 29 May. Monsieur Attali suggested that each Personal Representative would need to have a typist and a liaison officer at his disposal during the period of the preparation of the draft declaration on the evening of Sunday 29 May.

13. Mr McManus said that the state dinner on the evening of 30 May would be informal dress (not black tie); no spouses would be present, save that Mrs Reagan might come.

14. Mr Allen Wallis (United States) reverted to the order of business at Williamsburg. He suggested that the meeting of Heads of State or Government alone on the morning of Sunday 29 May should be used for a broad-ranging discussion of the approach to world economic recovery, based upon the first two sections of the United States thematic paper. At a similar meeting on the afternoon of Sunday 29 May Mr Schultz and Mr Regan would summarise the meetings that would have taken place in the mornings between Foreign Ministers and Finance Ministers respectively. The discussion could then turn to the matters in sections 3 and 4 of the United States thematic paper. The afternoon session might conclude with a discussion lasting for 15 or 20 minutes on East-West economic relations. President Reagan would then sum up the discussion, or invite one of his colleagues to do so, with a view to giving

instruction to Personal Representatives on the basis of which the first draft of a declaration could be prepared.

15. Mr McManus asked that the names of official delegations who would be guests of the United States Government and of guests for the state dinner should be sent to him as soon as possible.

Press Arrangements

16. It was noted that the United States delegation proposed that there should be no background briefing at Williamsburg until the morning of Sunday 29 May.

17. A number of Personal Representatives thought that this was unrealistic, particularly given the fact that President Reagan and President Mitterrand would be having a bilateral meeting after their arrival at Williamsburg, and the United States and French delegations would presumably find it necessary to brief after that. The United States Personal Representative stressed that he hoped that the rule for no background briefing until the Sunday morning would be observed, in order to take the pressure off Heads of State or Government on Saturday 28 May.

United States Thematic Paper

18. Personal Representatives spent most of the day discussing the United States thematic paper and amending it in detail. By the end of the day they had agreed upon a revised text as a basis for discussion by the Heads of State or Government at Williamsburg. At a late stage in the discussion the United States delegation introduced an alternative version of the thematic paper, with the various points for action and consideration unchanged in substance but arranged in a different order. Other Personal Representatives thought that it would be very confusing for Heads of State or Government if there were two versions of the paper circulating, and stressed the hope that the United States delegation would confine themselves to the paper which had been agreed in discussion during the day.

19. The United States delegation also tabled a draft statement on international monetary and macroeconomic issues which had been agreed by senior Finance Ministry officials. It was not entirely clear what the status or purpose of the paper was, but it was

eventually agreed that it should be considered by Finance Ministers at Williamsburg, and then presented to Heads of State or Government, who could either endorse it and attach it as an annex to their own declaration, or invite Finance Ministers to issue it separately, or direct Personal Representatives to draw from it for the purposes of preparing the draft final declaration but not otherwise to issue it.

20. Monsieur Attali (France) said that during the course of the meeting at Williamsburg President Mitterrand would introduce his proposal for a high level international monetary conference. He would propose that Ministers of Finance should be invited to get together and study the idea and to make proposals. Monsieur Attali stressed that President Mitterrand was not looking for an early decision to set up such a conference, but saw it as the culmination of a process in which the Versailles undertakings and the follow-up now proposed for Williamsburg would be early steps.

East-West Economic Relations

21. Mr Allen Wallis (United States) said that good work had been done on this subject in OECD. It would be important to continue the exchange of data on this matter, both in OECD and through Western Embassies in Moscow. It would be important to keep up the momentum in COCOM, and perhaps to strengthen the COCOM Secretariat. The United States were interested in the idea of a defence sub-committee. At the Williamsburg meeting President Reagan's position on East-West economic relations would not be just cosmetic.

22. Monsieur Attali (France) suggested that the European Heads of State or Government might want to raise the question of extraterritoriality at Williamsburg. The United States delegation suggested that it might not be wise for the Europeans to gang up on President Reagan on this matter.



ROBERT ARMSTRONG

16 May 1983

Ref. A083/1394

CONFIDENTIAL ANNEX TO NOTE FOR RECORD

cc Mr Coles (No 10)
Mr Fall (FCO)
Sir Antony Acland (FCO)
Sir Julian Bullard (FCO)

Meeting of Personal Representatives held at
Chateau La Celle St Cloud, Paris: 11-13 May 1983

Meeting of Political Directors

On the evening of 11 May, Mr Richard Burt (United States) reported on a meeting of Political Directors held earlier in the day in Paris. There had been general agreement that discussion of political issues at Williamsburg should be informal, with no structured agenda. It had been agreed that political discussion should be reserved for the meals which Heads of State or Government would take together. It was proposed that arms control and INF should be discussed at dinner on Saturday 28 May; East-West political relations at lunch on Sunday 29 May; and the Middle East at dinner on Sunday 29 May. Lunch on Monday 30 May would be used for a general "wrap-up" discussion. There should be no statements to the Press, though the United States Foreign Minister would no doubt be briefing the Press in general terms. The Canadian Political Director had, however, proposed that a statement or "open letter" on INF should be released on Sunday 29 May. Such a statement might support the zero option, the intermediate course as a means of progress to the zero option, the exclusion of British and French strategic nuclear weapons from INF negotiations, and the insistence upon a global limit for Soviet intermediate nuclear weapons (in other words, the Russians should not be able to compensate on their Eastern border for reductions of intermediate nuclear weapons on their Western border). Mr Burt had undertaken to produce a draft of such a statement for further consideration by Political Directors before the Williamsburg Summit.

2. Subsidiary political issues for discussion by Foreign Ministers at Williamsburg would include youth exchanges, international terrorism, nuclear proliferation, and President Reagan's initiative on democracy.



3. Monsieur Attali (France) agreed with the proposals for dividing up the subjects for discussion by Heads of State or Government. He was nervous, however, of a discussion leading up to a paper on INF. He doubted the wisdom of having a communique on one issue. If Heads of State or Government wanted to issue such a communique, it should be prepared at Williamsburg. This was a very difficult issue: the positions of all those concerned were different, and the attempt to achieve a communique could weaken the Western position.
4. Mr Burt said that Political Directors did not have in mind a detailed statement on INF, but a general statement, the main purpose of which would be to make two detailed points, one on the exclusion of British and French nuclear forces from the INF negotiations, and the other on global limits on Soviet intermediate nuclear weapons. He doubted whether it would be practicable to put a statement like this together at the Summit itself.
5. Mr de Montigny Marchand (Canada) said that the Canadian Political Director had put forward his proposal without instructions. He was mindful of the problems indicated by Monsieur Attali, but thought that on this subject there would be positive advantages to be gained, if a statement could be put together.
6. Mr Motono (Japan) said that he was unbriefed on this proposal, and could give only an initial reaction. Two years ago Japanese public opinion would not have permitted such a statement. Now such a statement could help to improve relations between Japan and Europe.
7. Herr Tietmeyer (Federal Republic of Germany) thought that, if it proved possible to find ground for a meaningful statement, the Federal Chancellor would appreciate and welcome that. It would depend on how much common ground it would be possible to find. It would be advisable to have some preliminary negotiations before Williamsburg to see what that common ground might be.
8. Sir Robert Armstrong (United Kingdom) said that he thought that the Prime Minister would welcome a statement which dealt with the two issues of the exclusion of British and French nuclear weapons from INF negotiations and with global limits on Soviet



intermediate nuclear weapons. A statement on the lines suggested might be even more striking because it would be unexpected. But if the attempt to achieve agreement on a statement went wrong, then the damage could be greater than if the attempt had never been made.

9. Signor Paolini (Italy) said that he was unbriefed on this subject, and would indicate the Italian view in a few days.
10. Monsieur Attali said that to try and to fail on this subject would be very bad. Discussion of this matter should be kept very secret; and no preliminary work should be undertaken until there was clear personal commitment and authority from Heads of State or Government. The French President would commit himself by Thursday 19 May. If any Head of State or Government was against the idea of a statement, it would be wise to forget it.
11. Mr Burt thought that it should be possible to maintain secrecy. He agreed that it would be wise not to move forward without the agreement of Heads of State or Government. He would send out no paper until he had heard from Political Directors that the reaction of their Heads of State or Government was positive. He did not think that the risk of failure should be allowed to frustrate an attempt, and he thought that the attempt could well succeed.
12. Sir Robert Armstrong said that the position of the Japanese Government could be crucial.
13. Mr Motono supported the position of Monsieur Attali and agreed that any further progress should depend upon a clear and positive indication of the intention of Heads of State or Government.
14. Mr Marchand agreed that prudence in handling this matter would be essential. But people would not understand silence on the subject.
15. Monsieur Attali said that he did not know what point of view the French President would take. But, if the President was prepared to go forward, he would want to write any such statement himself; he would not trust anybody else to do so. There was a danger that the whole of the first dinner at Williamsburg would be devoted to discussing the wording of a statement.



16. Mr Allen Wallis (United States) said that we had already begun to take risks on this matter. The risk of trying and failing was outweighed by the risk of not trying.

17. Mr Burt, summing up the discussion, said that such a statement could lead to a more constructive relationship with the Soviet Union, which the West was seeking. The basis of the statement would be to assert the need for maintaining military equilibrium. The United States were negotiating in Geneva to eliminate the INF threat. The President had made firm and equitable proposals for equalising the levels of United States and Soviet forces. Any agreement should be applied globally. The British and French nuclear weapons should be excluded from INF negotiations. He asked that Political Directors or Personal Representatives should let him know as soon as possible whether their Heads of State or Government agreed that the preparation of a draft statement should go ahead.

ROBERT ARMSTRONG

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16 May 1983