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## WITHDRAWAL SHEET

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FO006-06 (145282) (3 OF 10)

**FOIA** 

F16-011

**Box Number** 

**BIERGANNS** 

Withdrawer

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
244094	PAPER	DUPLICATE OF #244093; INF AND OTHER ARMS CONTROL	2	ND	B1

## The above documents were not referred for declassification review at time of processing

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**MEMORANDUM** 

## NATIONAL SECURITY COUNCIL

RECEIVED

1983 MAY 23 PM 12: 36 May 23, 1983

MEMORANDUM FOR RICHARD DARMAN

FROM: DENNIS BLAIR DERVE

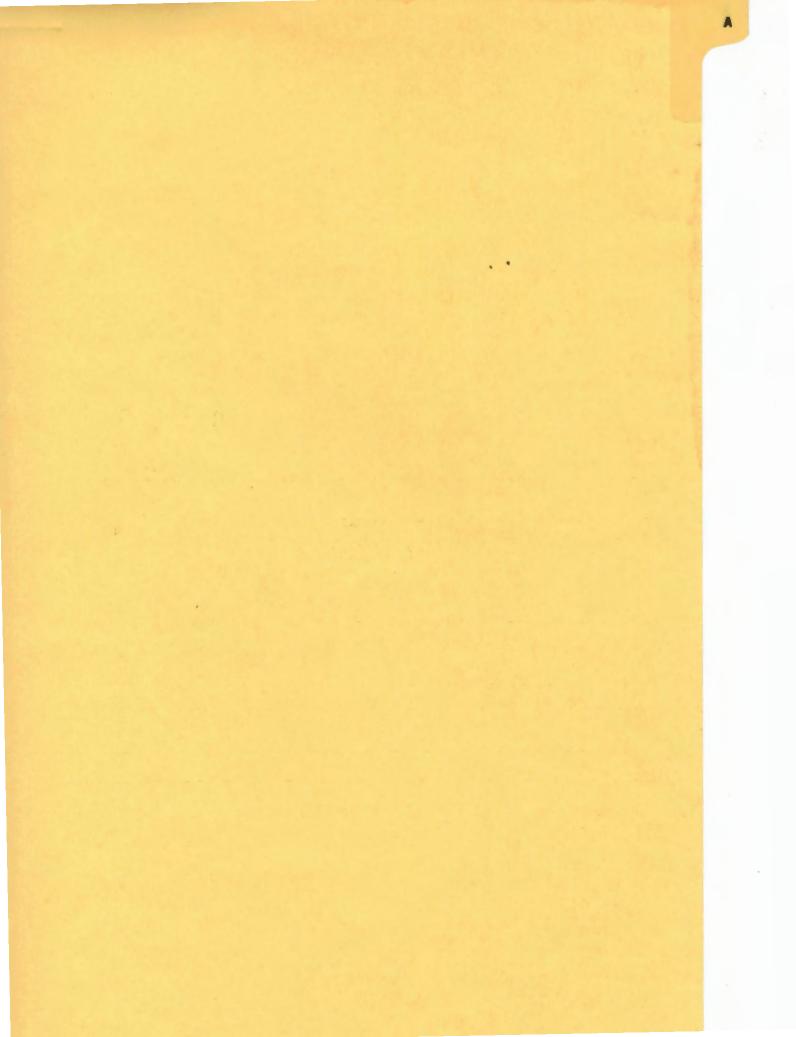
SUBJECT: President's Materials for Williamsburg

Attached are the President's materials for the Saturday evening and Sunday morning sessions at Williamsburg. You may wish to circulate them for comment this afternoon. The Judge will be sending them into the President this evening. Tomorrow we will forward the President's materials for the rest of the Williamsburg sessions.

#### SATURDAY DINNER

## INF and Other Arms Control Topics

- A. Your Role as Chairman
- B. Your Role as U.S. President
- C. After-dinner Coffee with Foreign Ministers



#### YOUR ROLE AS CHAIRMAN OF THE SUMMIT

## Saturday Dinner

## INF and Other Arms Control Topics

## Objectives:

- -- have a good, informal discussion that sets the tone for the rest of the Summit.
- -- emphasize the unprecedented unity within the Alliance on security and arms control issues.
- -- Push for a approve the Summit Statement on INF to be issued the next day at the Summit.

## Techniques:

- -- open the dinner with a warm welcome and perhaps historical or personal anecdote on Williamsburg (will supply suggestions).
- -- turn to Thatcher to begin the discussion.
- -- after general points have been made, turn to the draft
  INF statement and ask for comments and approval.

idea of an

-- conclude the conversation among heads only by indicating that it is time for Foreign Ministers to join you for coffee.

## Things to Watch Out For:

- -- any attempts to link arms control issues to economic subjects (will supply counters).
- -- Any attempt to make arms control more important than defense in protecting security interests.

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#### COFFEE AFTER SATURDAY DINNER

## INF and Other Arms Control Topics

## Coffee After Saturday Dinner with Foreign Ministers

Topic:

Arms Control, INF and Security

Time Allotted: 9:30-10:15 p.m.

#### Objectives:

- -- inform Foreign Ministers of results of heads only discussion.
- -- agree on common press line with respect to the INF statement.

#### Techniques:

- -- welcome Foreign Ministers (joke about heads discovering they didn't need Foreign Ministers and solving all problems themselves).
- -- ask Thatcher to summarize dinner discussion among heads.
- -- open up for comment.
- -- conclude by asking Shultz to summarize common press guidance on INF statement and more generally on the Saturday dinner discussion.

# SUNDAY MORNING "HEADS-ONLY" SESSION WORLD ECONOMIC RECOVERY

- A. Your Role as Chairman
- B. Opening and Clsoing Remarks
- C. Objectives Checklist
- D. Contingency Talking Points on
  - Multilateral Surveillance
  - Trade
  - Debt and Finance
  - East-West Trade

## Sunday Morning Heads Only Session

Topics: World Economic Recovery - Themes, Assessment and

Commitments.

Time Allotted: 9:00-11:30 a.m.

## Objectives:

-- conduct general, elevated discussion (avoid details) on individual and common approaches to sustained recovery.

- -- secure consensus on general theme, tone and structure of the joint statement (as close to the thematic paper as possible).
- -- identify issues of special interest for discussion with Ministers in the afternoon.

#### Techniques:

- -- suggest at outset desire for discussion of general approaches, identification of broad themes, tone and structure for joint statement and your intent to summarize at the end.
- -- lead off with your own statement emphasizing common interests (avoid arguing any contentions points at the beginning).
- -- turn to Mitterrand to continue discussion (puts him in the position of starting contentiousness if he is so inclined).
- -- do not answer Mitterrand, but guide discussion, if possible, to Kohl and Thatcher who will oppose Mitterrand's points if necessary.
- -- as each leader speaks, check off points on your thematic paper outline as they are raised and any notations that may be appropriate.
- -- after all leaders have spoken, ask for discussion on points that have not been raised (e.g., ask Mitterrand if he has any comments on technology will flatter him) or focus discussion on points of difference that need further explanation.

- -- break for 10 minutes or so at an opportune point and have coffee or tea served.
- -- summarize at the conclusion what has been said highlighting areas of agreement, especially for joint statement. Ask others for comments on your summary and clarify or modify as necessary.
- -- agree on how all countries will represent the morning meeting to the press.

## Things to Watch Out For:

-- topics that were not presented in the preparations and do not appear in the thematic paper.

## Late Sunday Morning Session with Foreign Ministers

Topic: Summarize Morning Heads Only Session for Foreign Ministers

Time Allotted: 11:30-11:45 a.m.

## Objectives:

-- provide a common summary of the morning's discussion to Foreign Ministers for purposes of bringing the press.

## Techniques:

-- repeat your summary from the conclusion of the morning heads only session.

A.

#### Sunday, May 29 - 9:00 - 11:30 a.m. - Heads Only

#### Objectives for this Session

- -- To establish the positive tone for the Summit discussions and joint statement.
- -- To seek agreement on a medium-term strategy for achieving a balanced sustained, non-inflationary recovery.
- -- To identify potentially contentious issues from other participants.
- -- To conclude the session with consensus on the essentials and understanding on points of difference.
- -- To secure consensus on the themes of interrelationship and realistic optimism for the joint statement.

#### President's Opening Remarks

#### Values

- -- Before economic discussions we should emphasize this Summit brings together countries with common dedication to liberty, democracy and the individual. The importance of these bonds overshadows trade and exchange rates.
- -- Our common prosperity is more than material gain, it is the reflection of our most important shared values of individual freedom, personal creativity, moral purpose and human dignity, and the guarantee of our common strength in defense of these basic values.
- -- Economic progress in past year in the U.S. and elsewhere reflects the determined efforts of both governments and the significant sacrifice of our people to rid our economies of a decade of stagflation and mounting unemployment.
- -- We want this summit to be known as the "Recovery Summit."
  Our tone should be optimistic, not just on economic recovery,
  but about our societies. Our democratic societies have been
  through a severe test and have shown the resilience to make the
  sacrifices necessary for a sustained, non-inflationary recovery.

#### U.S. Recovery

- -- U.S. recovery underway (rise in GNP, consumer spending, modest unemployment downturn); other countries are also into recovery.
- -- Problems remain: Interest rates still too high; budget deficits still too large; more capital investment and technological development needed.

- -- To bring down future budget deficits and to counteract inflationary expectations causing high interest rates, we are pursuing a standby tax plan. To encourage investment we have passed tax measures which encourage capital formation.
- -- We are also encouraging stable and moderate monetary growth.
- -- Most important, we need more jobs for our citizens.
- -- Our employment bill is designed to rebuild old infrastructure -- roads, bridges and dams. Our job training programs are structured to train people for the jobs of the future, not the past.
- -- But the real key to unemployment is a wide, deep, sustained, non-inflationary recovery.

#### International Recovery

- -- I would like to outline our approach to world economic recovery.
- -- Our approach is balanced it recognizes the relationships between our domestic prosperity and international trade; between convergence of economic perforamence and stable exchange rates; between trade and finance; between economic prosperity and security.
- -- No single policy or action that will cure our economic ills. We must act on a broad front and take advantage of key interrelationships in the world economy.
- -- The world is looking to this meeting for reassurance that this recovery will not be like other recent ones, that we have a consensus on nurturing and sustaining a non-inflationary recovery over a period of several years, avoiding short-term "quick fixes," and setting a firm long-term course that will bring prosperity and jobs.
- -- Only a durable recovery will make any dent in the cummultative unemployment we have inherited from the past. This is especially true for Europe, where unemployment is still increasing.
- -- Hence we must not abort recovery through inflation as we encourage growth through our policies we must maintain the fight against inflation to achieve lower interest rates, and more stable exchange rates.
- -- We must reverse protectionism and begin to work to achieve further trade liberalization, so that prosperity can spread.
- -- We must support the international financial system and strengthen world economic cooperation and institutions.
- -- Finally, we must always keep in mind the security dimension of our economic relations with the East, so as not to make our defense tasks more difficult.

## President's Closing Remarks

- -- We have had a good general discussion this morning. In a few minutes, we will call in our foreign ministers and personal representatives to tell them what happened. I would like to sum up a few key points.
- -- I think we agree that the message we send from Williamsburg should be one of confidence and realistic optimism.
- -- We should emphasize that our approach to recovery is a balanced, medium-term plan to achieving sustained, non-inflationary economic growth.
- -- We have stressed interrelationships and policies of growth, trade and finance that mutually reinforce one another.
- -- I believe that in our joint statement we should reflect these ideas in the introduction, and then go on to talk about some of the more specific actions we will call for in individual specific areas, both immediate actions and longer term.
- -- We have discussed some of the specifics this morning; this afternoon with our ministers and personal representatives we will discuss others in more detail.

(Foreign ministers and personal representatives enter room and President summarizes the morning session. Secretary Shultz will then brief the press.)

Williamsburg not just economic discussion, but a meeting of nations with shared values of individual freedom and democracy which give prosperity its meaning.

#### Notes:

	Recovery	is	underway	in	the	West,	real	improvement	in
last	year.								

- [ ] Reduced inflation and interest rates, increased productivity
- [ ] Reduced oil dependence has helped bring price decline
- [ ] Recovery in the Summit countries will spread, reviving trade and easing debt problems of LDCs

#### Notes:

#### Problems remain to be tackled

- [ ] Unemployment, particularly among the young
- [ ] Differences in inflation rates among countries
- [ ] High interest rates due to inflationary expectations, high current and future budget deficits
- [ ] Protectionist pressures threaten recovery by choking off trade
- [ ] Conditions in developing countries still acute, including international debt burdens

#### Notes:

	_	Int	terrelationship that link our economies
	]	]	Link between domestic individual growth and open trading system
	]	]	Link between covergence of domestic policies and non-inflationary sustainable growth
	]	]	Link between open markets and availability of financing
	[	]	Link between economic cooperation and world progress
Notes	3:		
OVER	-1.	Sus	staining the recovery requires balanced, steady action term across all these interrelationships
over	_		•
	l	]	Promoting conditions for growth in each country
	[	]	Maintaining fight against inflation
	[	]	Reversing protectionism; liberalizing trade
	]	]	Supporting world financial system
Notes	:		

## Objectives for this Topic

- -- To agree that fundamental national economic performance (inflation rates, interest rates, monetary policy) determine exchange rates;
- -- To agree to continue the multilateral surveillance process begun at Versailles as the best mechanism to bring about the convergence necessary for exchange rate stability.
- -- To deflect French proposals for a new Bretton Woods conference to fix exchange rates.

- -- We all must continue to pursue policies to reduce budget deficits, especially by reducing expenditures, to lower inflationary expectations and high interest rates.
- -- We must pursue appropriate non-inflationary growth of money supplies to achieve and maintain low inflation and interest rates.
- -- The study that we commissioned at Versailles showed that fundamental national economic performance determines the exchange rates between countries.
- -- The study also showed that exchange rate intervention can only be a limited tool in the short term, but is most effective when done in a coordinated way by mutual agreement.
- -- (In response to proposal from Mitterrand for international monetary conference, let Kohl and Thatcher speak first) A conference is an interesting idea, but I believe it is premature. What we really need to to continue our efforts, begun at Versailles, to reach better convergence of economic performance.
- -- In this connection, we should publish as an annex to our joint statement, the excellent statement the finance ministers have prepared on strengthening economic convergence.

#### Trade

## Objective for this Topic

- -- To gain agreement that a strong worldwide recovery and prosperity for the LDCs depends on trade.
- -- To gain agreement on a commitment to combat protectionism as the worldwide recovery proceeds.

- -- In difficult economic times we all feel increased domestic pressures to protect our own businessmen and workers.
- -- We have all had to compromise as a result of these pressures. We have all had to make some arrangements which restrict trade. It is a hard political fact of life.
- -- As recovery strengthens, we must avoid and reverse protectionist actions. If we do not, our recovery itself will be impeded and we will all suffer. Trade contributes to a strong recovery; it cannot simply wait for recovery.
- -- It is also vital for LDC debtor nations to have access to our markets if they are to manage their debt.
- -- In the United States, we may run a \$70B trade deficit, and we will have a Presidential election in 1984. Yet we will not give in to partisan politics and protectionist pressures.
- -- Our agreements or arrangements on steel, or on automobiles, or on agricultural products, must be seen as short-term measures which we should aim to remove as soon as possible.
- -- We must do more with GATT, making it adapt to the emerging issues of the 80's such as trade in high technology products and services.
- -- Our goal in this decade must be further trade liberalization, supported by a sound international financial system.
- -- This afternoon, I suggest we discuss in more detail how to implement the agreement I know we share to reverse protectionism and dismantle trade barriers.

#### Objectives for this Topic

-- To reach agreement on a balanced approach to supporting the international financial system.

- -- Our five-part strategy includes (1) economic adjustment by debtor countries, (2) a strengthened IMF role, (3) commercial bank roll-overs and new money, (4) government assistance and bridging efforts, and (5) global economic recovery.
- -- U.S. has taken lead in attempting to solve problems of the major Latin American debt problems, Mexico and Brazil; others of you have shared this burden and taken the lead in other countries.
- -- International financial assistance to the developing world is one of the most important forms of economic assistance, and it helps us by providing expanding markets for our goods.
- -- It is critical that the Summit and other industrialized countries keep our markets open to the LDCs so they can sell goods and service their debts (relationship between trade and finance).
- -- It is also necessary to have close consultation among our trade and finance officials.

#### Objectives for this Topic

- -- To reach agreement that East-West trade policies should reflect Western security interests.
- -- To endorse the results achieved in recent months in COCOM (technology transfer), the IEA (energy security), the OECD (subsidized credits).
- -- To reach agreement that this work should be continued.

- -- For the last two summits -- Ottawa and Versailles -- I have consistently emphasized the importance of looking at our economic relations with the East in a security framework.
- -- I am glad to see that since Versailles we have undertaken the serious analytical work necessary to work out sensible policies in this area.
- -- We do not believe in economic warfare, but we do believe that our economic relations with the East should not make our defense tasks more difficult, or lead to uneconomic transactions with the East.
- -- We believe that the results of the IEA study on energy security, the results of the COCOM high-level meeting, the OECD studies on trade and finance and the study done by the Economic Committee of NATO provide the elements of the framework we seek.
- -- We should endorse the results already achieved in these other bodies, take action on them in our national policies and continue the work into the future.

## WILLIAMSBURG SUMMIT PUBLIC DIPLOMACY: Inventory of Challenges and What We're Doing about Them

1. French Problem: Mitterrand's call for a new Bretton Woods Conference and effort to blame the U.S. for his own domestic ills.

- Feldstein, Regan Op-Ed pieces

- Roosevelt Room backgrounders on U.S. position (Shultz, Regan)
- Dam TF-l interview
- Galbraith meeting with French press association
- "Special handling" (photo, etc.) during May 28 bilateral
- 2. Non-event: "Ho-hum" Summit, with no "headlines" and the leaders' appearing to paper over differences and failing to deal with concrete problems (unemployment).
  - Strategy: -- USG statements (Nau, Brock) stressing realistic expectations, Summit as part of long-term process.
    - -- Wallis NYT Op-Ed overview piece
    - -- Emphasis in three key briefings on strong US concern about crucial problems
    - -- Shultz Foreign Policy Association address
    - -- President's pre-Summit interviews, Williamsburg arrival remarks
- 3. <u>East-West</u>: Potential backlash arising from different Summit-nation views on East-West studies and criticism of proposed Export Administration Act.
  - - -- Clark / McFarlane calls to Hill
    - -- Preparation of tailor-made Qs and As for USG speakers
    - -- Distribution of issues papers

4. Critique of Administration Policy: General skepticism about depth and durability of U.S. economic recovery and specific concern that high U.S. interest rates and budget deficits could choke-off economic turnaround.

## Strategy -- President's May 28 radio address

- -- Regan / Shultz briefing of White House and national press
- -- Feldstein, Regan Op-Ed pieces
- -- Press / media follow-up on OECD Ministerial
- 5. Political Spoilers: Sudden crisis (Mideast) or reported differences in political talks (INF) could upstage the President's economic priorities. So could hidden political agendas of other leaders (especially Thatcher, with June 9 election).
  - Strategy -- Presidential radio address and chopper-side arrival remarks
    - -- Presidential and Shultz briefings
    - -- Coordination between Summit Public Affairs
      Team and USIS program overseas (follow-up to
      Rentschler mission)
    - -- Dam TF-l interview
    - -- Wallis BBC interview
- 6. Trade: Alleged gap between Administration rhetoric and reality (preaching free trade, but practicing protectionism), Democratic Presidential contenders' faulting Administration for protecting American jobs, and claim that high U.S. dollar undercuts U.S. exports.

#### Strategy -- Brock Op-Ed article

- -- Major STR and Commerce speeches (Brock, Baldrige, Olmer)
- -- Distribution of issue papers and Qs and As

- 7. Finance: Alleged failure to bolster the fragile international system, especially if a new LDC debt crisis occurs.
  - Strategy -- Feldstein, Regan Op-Ed pieces
    - -- Regan / Shultz White House press briefings
    - -- Dispatch of issue papers, Qs and As
    - -- Shultz Business Week interview
- 8. North-South: Claim that Summit leaders ignore needs of poor developing nations, pre-UNCTAD VI.
  - Strategy -- Shultz North-South speech for Foreign Policy Association
    - -- Distribution of UNCTAD VI guidance and issue papers
- NB: This bare-bones rundown of critical issues and events does not include a vast number of individual contacts by NSC and Rentschler team with broad variety of media reps and other sectors (Hill, AFL-CIO, general public), all of which will have cumulative effect on pre- and post-Summit perceptions now evolving.

international system, especially Regan / Shults White bare-bones rundown of critical issues and nolude a vast number of individual contact and Rentschler team with broad variety of m and other sectors (Hill, AFL-CIO, general publ which will have cumulative effect on pre- and perceptions now evolving. which wi

# PROPOSED MEDIA EVENTS PRE-SUMMIT

## Wednesday, May 18

-- Shultz interview with Business Week Done

ACTION: State

-- Foreign Press Center briefing: Regan Done

ACTION: Treasury

## Thursday, May 19

-- RR: Interview with Helen Thomas.
Done

ACTION: Gergen/Speakes

-- WH background briefing for weekend stories: Wallis/Nau/Sprinkle. (Done on individual basis)

ACTION: Gergen/Allin

## Friday, May 20

-- Roosevelt Room columnists and magazine briefing: Shultz (1:30 p.m.)

Done ACTION: Gergen/Small

-- Wallis interview with Canadian Broadcasting Corp.

ACTION: State

## Sunday, May 22

-- ABC "Brinkley Show": Secretary Regan.

ACTION: Treasury

## Monday, May 23

-- Background briefing for specialists (at WH): Regan/Wallis (2:00 p.m.) Roosevelt Room

ACTION: Gergen/Allin/Small

-- Foreign Press Center briefing by Nau

## Tuesday, May 24

General briefing for WH and National Press Corps (on camera): Regan/Shultz 11:30 a.m. (T) - 450 EOB Wallis, Nau, Sprinkle to follow on background

ACTION: Gergen/Speakes/Allin

-- Dam interview with French TV.

ACTION: State

-- Wallis interview with BBC-TV

ACTION: State

## Thursday, May 26

-- RR: Interview with foreign TV from six participating countries.

ACTION: Gergen/Allin

-- Shultz speech to Foreign Policy Association.

ACTION: State

-- RR: Meeting with PM Fanfani of Italy.

## Friday, May 27

-- RR: Meeting with PM Nakasone of Japan.

-- RR: Interview with select WH print and TV press and 3 foreign print press. (embargoed for Sunday) (10:00 - 10:30 a.m.)

ACTION: Gergen/Speakes

-- RR: Arrival Statement - Providence Hall, Williamsburg.

ACTION: Gergen

-- CBS "Morning News": Secretary Shultz.

ACTION: State

-- NBC "Today Show": Secretary Regan.

ACTION: Treasury

## Saturday, May 28

- -- RR: Radio speech on summit (pre-taped Friday).
- -- RR: Bilateral with President Mitterand of France (Williamsburg).
- -- RR: Greetings to incoming heads of state (Williamsburg).

## In Addition

-- Press background book to be completed.

ACTION: Allin, Rentschler

-- Op-ed pieces to be prepared, distributed to press.

ACTION: Rentschler/Small

-- Radio interviews, major call in shows.

ACTION: Small

-- Individual interviews with key administration officials.

ACTION: Bistany

-- Theme papers, GIST papers to be completed.

ACTION: Rentschler

#### POST-SUMMIT MEDIA EVENTS

(to be expanded)

## Monday, May 30

-- ABC "Nightline": Taped interview with Sec. Regan (post Joint Statement).

ACTION: Treasury

## Tuesday, May 31

-- RR: Interview with select WH print and TV press and 3 foreign print press in Oval Office. (pool) (2:15 - 2:45 p.m.)

ACTION: Gergen/Speakes

-- ABC "Good Morning America": Sec. Regan

ACTION: Treasury

-- NBC "Today Show": Sec. Shultz

ACTION: State