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**United States  
Information  
Agency**

Washington, D.C. 20547

Office of the Director



June 16, 1987

513388

USIA

FOO06-12

TR

Dear Mr. Griscom:

I am pleased to pass on to you the enclosed report on the coverage of the Venice Economic Summit by the USIA's international satellite television service, WORLDNET.

The USIA created WORLDNET three and a half years ago to harness the power and impact of satellite television in the service of public diplomacy. The results have exceeded our most optimistic expectations. Each week, millions of television viewers around the world learn more about our country simply by switching on their TV sets. It would be no exaggeration to say that satellites have forever altered the way in which the USIA does business.

As the enclosed report shows, WORLDNET allows international communication on a scale that only a few years ago would have been thought impossible. A Presidential speech can be seen by television audiences in such diverse locations as Japan, Turkey, Germany, and Canada. A press conference by the Secretary of State can be aired simultaneously in Singapore, Berlin, Paris, and London. The possibilities are endless.

We at USIA are proud of the work we did to get this Administration's message across to a global public during the Venice Summit. Your own cooperation was deeply appreciated.

Sincerely,

Marvin L. Stone  
Acting Director

The Honorable  
Thomas C. Griscom  
Assistant to the President  
for Communications and Planning  
The White House

**WORLDNET**



**COVERAGE  
OF THE**

**VENICE  
ECONOMIC SUMMIT**

**JUNE 8th THROUGH 10th, 1987**

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## SUMMARY

### WORLDNET at the Venice Summit

USIA's international satellite television service, WORLDNET, went all out to get the Administration's point of view across to foreign audiences during the Venice Summit. Through the magic of satellite television, millions of people throughout the world heard first hand the comments of President Reagan and senior Administration officials as the Summit unfolded.

USIA's Television and Film Service summit-related activities started with a special USIA-arranged and produced interview with President Reagan on May 26 for Washington-based correspondents from six other summit participants, which resulted in massive press play around the world. The TV team at our Washington Foreign Press Center followed up by providing local representatives of top international broadcasters with briefings by senior Administration spokesmen such as U.S. Trade Representative Clayton Yeutter, White House Deputy Press Spokesman Dan Howard, Assistant Treasury Secretary David Mulford, Undersecretary of State Allen Wallis, and Chairman of the Council of Economic Advisors Beryl Sprinkel.

In the week leading up to the summit, USIA's Television staff set the scene through its unique WORLDNET Dialogue service, putting U.S. Trade Representative Clayton Yeutter, Secretary of State George Shultz, and Secretary of the Treasury James Baker on camera to field live questions from top-ranking journalists in Europe and Asia. Meanwhile, WORLDNET's field team of 15 reporters, producers, and technicians gathered in Venice to cover the story as it unfolded. Working round the clock, the WORLDNET crew filed story after story back to Washington for inclusion in America Today, our daily news program beamed to some 5 million viewers across Europe. Coverage included exclusive WORLDNET interviews with such senior Administration officials as National Security Advisor Frank Carlucci, Treasury Secretary James Baker, White House Chief of Staff Howard Baker, Assistant Secretary of State Rozanne Ridgeway, and Ambassador to Italy Maxwell Rabb. In the course of the summit, no fewer than 28 stories were broadcast on our daily America Today program, with additional pieces prepared for our Latin American Newsfile service, distributed to television stations throughout the hemisphere. Finally, WORLDNET interrupted its regular programming to carry the President's June 5 speech to Europe -- a WORLDNET exclusive -- , his June 11 press conference, his June 12 speech from Berlin, and his June 15 speech to the nation.

WORLDNET's efforts generated press coverage that spanned the globe. President Reagan's June 5 speech -- broadcast in full over the WORLDNET network -- brought front page headlines throughout the Italian press and extensive coverage in such leading British papers as The Guardian, the Daily Telegraph, the Financial Times, and the Independent. Holland's mass-circulation daily De Telegraaf covered the speech the following day. Further afield, Turkish national TV carried the story as the second item in its prime time evening news, while Kuwaiti television ran portions of the speech dealing with arms reduction.

Top Italian papers carried coverage of Ambassador Yeutter's May 29 WORLDNET while, in Japan, the Tokyo Broadcasting System TBS evening news carried a five minute story on the WORLDNET broadcast for an audience of some 5 million viewers and the leading paper Yomiuri Shimbun (circulation 4.8 million) ran a story based on the program. France's second television channel, Antenne 2 ran excerpts from Ambassador Yeutter's remarks and, in Canada, the Toronto Star (circulation 517,000) carried a major story on the broadcast.

Secretary Shultz' June 2 WORLDNET Dialogue drew extensive coverage in Berlin, with a major piece on Sender Freies Berlin's evening news program "Abendschau," and press stories in Der Tagespiegel and the Berliner Zeitung. Indian national television ran excerpts in both English and Hindi for an estimated audience of 35 million viewers. In Japan, Tokyo's TV 12, TBS, and the national television network NHK all ran stories based on the Shultz interactive, while the top-ranked newspaper Tokyo Shimbun (circulation 1.4 million) carried 12 column inches on the program. The Singapore Broadcasting Corporation carried a 30 second excerpt in prime time for an estimated 600,000 viewers, and the leading Italian dailies Corriere della Derra (circulation 510,000) and Il Messagero (circulation 270,000) covered the broadcast with lengthy stories. In the United Kingdom, all of the top British papers covered the Shultz broadcast, with stories appearing in The Times, The Guardian, the Daily Telegraph, and The Independent.

Treasury Secretary James Baker's June 3 WORLDNET appearance drew extensive press attention in Canada, where Mr. Baker's remarks elicited articles in the Montreal dailies La Presse (circulation 188,000), Le Journal de Montreal, (circulation 309,000), Le Devoir (circulation 30,000), in Toronto's daily Globe and Mail (circulation 317,000) and the Toronto Star (circulation 517,000.) Similarly widespread coverage appeared in France, where Agence France Presse, Le Matin, Liberation, and La Tribune all covered the program. Japan's national network NHK, carried 5 minutes of the interview for an estimated audience of 15.5 million, while further coverage appeared in Holland's De Telegraph and Britain's The Times, the Financial Times, the Daily Telegraph, and the Independent.



WORLDNET Coverage of the  
Venice Economic Summit



PRESIDENTIAL ACTIVITIES COVERED BY WORLDNET

1) May 26. Interview with President Reagan for correspondents from RAI (Italy), Antenne 2 (France), ARD (Germany) BBC (U.K.), NHK (Japan), and CBC (Canada.)

2) The President's speech to Europe, June 5. Broadcast in full to Europe. (Special news report produced for WORLDNET's Latin American service.)

3) President Reagan's Post-Summit press conference, June 11. Broadcast in full to Europe. (Special news report prepared for Latin American service.)

4) President Reagan's post-Summit speech, June 12. Broadcast in full to Europe. (Special news report prepared for Latin American service.)

5) President Reagan's Oval Office speech to the Nation, June 15. Broadcast in full to Europe.

PRE-SUMMIT WORLDNET DIALOGUES

- 1) U.S. Special Trade Representative Clayton Yeutter.  
May 29

Interactive Posts:

Rome  
Tokyo  
Bonn  
London  
Paris  
Toronto  
Brussels

- 2) Secretary of State George Shultz  
June 2

Interactive Posts:

Berlin  
London  
Paris  
Ottawa  
Tokyo

- 3) Secretary of the Treasury James Baker  
June 3

Interactive Posts:

London  
Bonn  
Paris  
Montreal  
Brussels  
Tokyo

## Foreign Press Center Interviews and Briefings

- 1) May 27. Briefing by Ambassador Clayton Yeutter. Distributed to: Australian Broadcasting Corp., Canadian Broadcasting Corp., TV Asahi (Japan), Nippon TV (Japan), Tokyo 12 (Japan), NHK (Japan), Tokyo Broadcasting System (Japan), Swedish TV, Korean Broadcasting System, MBC (Korea), Televisa (Mexico), ORF (Austria), RAI (Italy), Visnews, WTN.
- 2) May 27. Briefing by Deputy White House Press Secretary Dan Howard. Distributed to: Canadian Broadcasting.
- 3) May 28. Briefing by Assistant Secretary of the Treasury David Mulford. Distributed to Canadian Broadcasting, Nippon TV (Japan), Tokyo 12 (Japan), NHK (Japan), NHK (Japan), Tokyo Broadcasting System, ORF (Austria), RAI (Italy), Visnews, WTN.
- 4) May 28. Briefing by Undersecretary of State Allen Wallis. Distributed to: Canadian Broadcasting, Canadian TV, NHK (Japan), Televisa (Mexico), WTN.
- 5) June 2. Briefing by Beryl Sprinkel, Chairman, Council of Economic Advisors. Distributed to: ITN (U.K.), NHK (Japan), Televisa (Mexico).

"AMERICA TODAY" SUMMIT-RELATED STORIES

June 1:

Terrorism backgrounder. Included footage of terrorist incidents, sound bite of DOS Phyllis Oakley. (Also used on Arnet Newsfile.)

June 2:

INF backgrounder. Included footage from Tokyo summit, NATO conventional forces, sound bite of Jack Mendelsohn, Arms Control Association.

Business backgrounder on falling dollar. Included sound bites of Fred Bergsten, economist, Herbert Stein, economist, James Baker, Treasury Secretary, Robert Lawrence, economist.

June 3:

Business backgrounder on agricultural reform. Included sound bites of Fred Sanderson, economist, Daniel Amstutz, Dept. of Agriculture, David Senter, American Agriculture Movement, Edward Schuk, World Bank, Clayton Yeutter, U.S. Trade Representative. (Also used on Arnet Newsfile.)

Backgrounder on MBFR. Included military/missile footage, sound bites of Jack Mendelsohn, Arms Control Association, Gene LaRocque, Center for Defense Information.

June 4:

America Today reporter Joel Seidman package on President Reagan's arrival in Venice. Included footage of airport arrival, sound bites of Reagan departure from Rose Garden, sound bite of Richard Allen.

America Today reporter Jim Randle package reviewing past economic summits. Included footage of past summits. (Also used in Arnet Newsfile.)

Business backgrounder on trade imbalance. Included sound bites of Beryl Sprinkel, Council of Economic Advisors, James Baker, Secretary of Treasury.

June 5:

America Today reporter Joel Seidman spot on President Reagan's reaction to Kohl decision on INF. Included sound bites of Marlin Fitzwater.

America Today reporter Jim Randle advancer on security in Venice with footage of various terrorist incidents and of Italian police.

Business backgrounder on Third World debt. Included sound bites of Edward Fried, Brookings, Clayton Yeutter, U.S. Trade Representative, James Baker, U.S. Treasury Secretary, John Reed, Citicorp, David Mulford, Department of the Treasury.

June 8:

America Today reporter Joel Seidman spot on deployment of Silkworm missiles. Included sound bites of Howard Baker, Chief of Staff, Frank Carlucci, National Security Advisor. (Also used on Arnet Newsfile.)

America Today reporter Jim Randle spot on Exocet and Silkworm missiles.

America Today reporter Joel Seidman spot on the Summit attendees and their various domestic problems.

America Today anchor Tim White interview with Frank Carlucci, National Security Advisor on the importance of the Allies agreeing about the Persian Gulf and the Iran/Iraq War, economic aspects of the Summit.

June 9:

America Today reporter Joel Seidman spot on Summit activities. Included footage of President Reagan walking at the Summit, Iraqi soldiers, anti-Summit demonstrators, sound bites of Howard Baker, Frank Carlucci.

America Today reporter Jim Randle spot on President Reagan's decision to partially drop some sanctions against Japan because of its response on the computer chip issue. Included footage of chip making, Reagan sound bite. (Also used in Arnet Newsfile.)

America Today anchor Tim White interview with James Baker, Treasury Secretary on U.S. tariffs, U.S. encouraging developing countries, agriculture subsidies, Third World debt.

June 10:

America Today reporter Joel Seidman package on Summit, focussing on Allied support for U.S. Persian Gulf efforts. Included sound bites of President Reagan, Secretary Shultz. (Also used on Arnet Newsfile.)

America Today reporter Jim Randle package on security in Venice after bombing attack. Included sound bites of Secretary Shultz and Paul Bremmer, Ambassador at large for Counterterrorism at State (from Tim White interview). (Also used on Arnet Newsfile.)

Spot on the meeting of finance ministers at the Summit.

America Today anchor Tim White interview with Howard Baker, White House Chief of Staff, on Allied Persian Gulf efforts and arms control consensus.

June 11:

America Today anchor Tim White interview with Rozanne Ridgeway, Undersecretary of State for European Affairs on Summit outcome.

America Today reporter Joel Seidman package wrapping up the Summit.

America Today reporter Jim Randle on how the press covered the Summit.

June 12

America Today anchor Tim White interview with Ambassador Rabb, US Ambassador to Italy

2 packages wrapping up the Summit with sound bites from President Reagan's press conference

A news correspondent roundtable wrapping the Summit, including a correspondent from the New York Daily News, Bill Plante from CBS News, and a correspondent from RIA-TV (Italian tv).

B

FIELD REACTION AND MEDIA PLACEMENT  
PRESIDENT REAGAN'S JUNE 5 ADDRESS TO EUROPE

BELGIUM

USIS Brussels showed the President's address both at NATO headquarters and the American Cultural Center in Brussels.

The USIS Mission to NATO hosted a special showing at NATO headquarters, which was attended by members of the delegations of West Germany, Italy, Greece and Great Britain, along with senior members of the international staff.

The audience at the American Cultural Center included several Belgian journalists, Ambassador Swaebe, and senior embassy officers.

TV Placement: Clips from the President's speech were shown on 2 of Belgium's three TV stations, while press stories appeared in De Standard (circulation 325,000), Le Soir (circulation 220,000) and La Libre Belgique (circulation 90,000.)

FRANCE

USIS PARIS coordinated invitations for the June 5 WORLDNET transmission of President Reagan's address with several sections of Mission and with OECD. In addition to the press, we invited high level representatives from the MFA, the Parliament, the Western European Union and European Missions to OECD. The acting PAO hosted a brief reception for attendees immediately following the transmission.

The following people attended:

- Eugenio Dimaria, Fairchild News Service
- Didier Bigo, deputy director, Institut De Polimologie
- Ray Billings, Radio France Internationale
- Bernard Brigouleix, journalist, France-inter radio
- Patrick Chamorel, Ministry of Industry
- Jean-Loup Demigneux, French Television Channel 1
- Sylvie Elourimi, Indian Ocean Newsletter
- Damiel Hermant, director, Institut De Polimologie
- Christian Malar, journalist, Radio-Tele-Luxembourg
- John Marcum, Science, Technology, and Industry Directorate, OECD
- Marcel Peju, journalist, Jeune Afrique Magazine
- Hugo Sada, journalist, Daily La Croix

(Secondary usage): The First and Third French Television channels, TF-1 and FR-3, were given videocassettes of the speech; audiocassettes were given to Radio France Internationale and to Radio-Television Luxembourg correspondents.

GERMANY

USIS Bonn reports that both FRG television networks sent camera teams to the representational showing of the President's speech hosted by CPAO Catherman at the American Club.

TV Placement: Clips from the President's speech appeared on all major newscasts, including national network ZDF's early evening "Heute", late evening "Heute Journal", and ARD's early evening "Tageschau."



The following persons attended the event at the American club:

Media (press and electronic)

Kepper, Hans - NDR Radio, Studio Bonn  
Goessling, Werner - ADF television, Studio Bonn  
- WDR camera team, ARD Bonn  
Erwe, Herr - Live Hoerfunkagentur, Radio News Agency, Bonn  
Daughters, Gary - Free-lance journalist representing Christian Science  
Monitor, Bonn  
Berve, Doris - Associated Press, Bonn  
Weingaertner, Tom - Hessischer Rundfunk  
Meyer, Thomas - Cologne Stadtanzeiger

Government, institutions

Seib, Frau - German Marshall Fund, Bonn  
Kloebl, Dr. Hans - German Marshall Fund, Bonn  
Huerland, Frau - Federal Press and Information Office

#### ITALY

USIS Rome reports that the WORLDNET speech was shown to the journalists at the White House Press Center at the Hotel Excelsior Lido in Venice. The speech could also be seen on the television sets in that hotel.

(TV placement): Because of a strike by technical staffers at Italian State Television networks, there was no footage of President Reagan's WORLDNET speech on the prime-time newscasts on the evening of June 5. However, anchormen on all three channels' newscasts reported on the speech as the lead item in the news.

The anchorman of moderate Channel One newscast (est. 11 million viewers), noting that "everything is ready in Venice for the Summit," commented the "The lead development on June 5 was President Reagan's televised speech recorded at Villa Condulmer."

Leftist Channel Three (est. 450,000 viewers) newscast said that "President Reagan drew a reassuring picture of the status of the Atlantic Alliance...."

(Radio placement): Radio newscasts on the morning of June 6 all led with reports on the President's speech. Left-of-center GR-1 led with a report noting that "Reagan made a strong appeal for economic and political cooperation among western allies. The U.S. President confirmed the U.S. commitment for control of the Persian Gulf."

(Print placement): Italian press coverage was almost exclusively factual, with most reports accompanied by a photo of the President at his desk delivering the speech.

Sample front-page headlines included: "Reagan: agreement with the USSR and forty more years of prosperity" ("La Stampa"); "Reagan: 'USA and USSR toward and agreement'" (leftist, influential "La Repubblica"); "Reagan in Venice announces: Euromissiles agreement is close" ("Il Giornale"); Reagan: 'We will continue to defend Europe'" ("Il Tempo").

Leading centrist "Corriere Della Sera" (circ. 510,000) carried a report from Venice by Fabrizio Dragosei noting that "in drawing the picture of possible economic and social developments for the next century...the U.S. President used very tough language toward the Soviet Union... Reagan's televised speech was directed mainly to European youth, touching on the issues of freedom and economic growth...."

Leftist, independent "La Repubblica" from Venice (circ. 500,000):

"Reagan's decision to deal again with the delicate issue of U.S.-USSR relations right on the eve of the Summit...has been regarded in political circles as an additional step toward East-West detente...."

Ennio Caretto from Washington on the front page of centrist "La Stampa" (circ. 420,000), "As always, the President has given a sign of optimism, skirting the thorniest issue, Iran and the Persian Gulf--an issue on which a dangerous split is developing not only with Europe but with Congress as well."

Financial daily "Italia Oggi" (circ. 100,000) from Venice: "...a speech characterized by optimism on the future of the 'free world'...."

#### KUWAIT

On the evening of June 5, Kuwait TV featured a two minute excerpt of President Reagan's speech. Quoted excerpts:

"U.S. President Ronald Reagan said that there were high hopes for enactment of an agreement between the United States and the USSR for removal of medium range missiles from Europe and Asia. He pledged, in his address to the European leaders in Venice today, to protect the interests of U.S. allies. He added that any treaty for removal of nuclear missiles would be of no value if it could not be verified. President Reagan said that treaty to be agreed upon will not be the last but will be the beginning of efforts aimed at arms reduction.

On June 5 Arabic dailies carried on their inside pages reports of Reagan's speech under the following headlines:

"Al-Watan" page 16

- France calls for development of missiles confronting Moscow. Reagan pledges to protect allies interests in any nuclear agreements.

"Al-Anba" page 25

- Reagan reassures European people concerning arms limitation talks with the Soviets.

"Al-Seyassah" page 23

In a speech to the Europeans on the eve of Venice Summit, Reagan pledges to protect allies interests in any accord on missiles limitation.

#### NETHERLANDS

USIS The Hague had five media organizations and three other contacts (former Dutch Ambassador to NATO Hartogh and representatives from the Dutch Atlantic Commission and the Dutch Foreign Ministry) present for the President's special WORLDNET's message.

Journalists present included a tape crew from NOS-TV "Journaal" evening news, a radio journalist from Avro-Radio "Journaal" news, a correspondent from the largest circulation daily in the Netherland, "De Telegraaf," and journalists from local Daily "Het Parool" of Amsterdam and opinion weekly "HP" Magazine.

The June 6 edition of the mass-circulation daily De Telegraph carried the story under the headline: "Reagan: Missile Agreement within Reach." The lead paragraph read: "The American President, Ronald Reagan, said yesterday from his villa in Venice that the U.S. and the Soviet Union are not far apart on an arms reduction accord for the dismantling of hundreds of intermediate range nuclear missiles in Europe.... The speech showed that Reagan wants to lay the groundwork for an agreement on arms reductions as the seven world economic summit leaders gather next week in Venice."

### SPAIN

USIS Madrid was pleased with the turnout for today's WORLDNET speech by President Reagan. Six journalists as well as one Ministry of Defense and two Ministry of Foreign Affairs officials attended. Considering that today was the last day for polling allowed by law before important municipal, regional, and European parliament elections on June 10, it was remarkable that so many representatives of the press attended.

After the speech the journalists commented that the President had given them a good preview of the topics that would be discussed at the Venice Economic Summit, many of which are great concern to Spain.

The attendees included:

- Juan Jose Vega, reporter - "Cambio 16" (centrist weekly, circ. 130,461)
- Ana Vaca De Osma, reporter - "Cambio 16"
- Javier Buendia, reporter - "ABC" (conservative daily, circ. 218, 739)
- Jacobo Garcia, reporter - "Tiempo" (left/independent weekly, circ. 136,304)
- Maria Angeles Fuentes, reporter - "Expansion" (economic daily, circ. approximately 30,000)
- Fernando Vicente, reporter - "Actualidad Economica" (economic conservative weekly, circ. 30,659)

### SWITZERLAND

USIS Bern's efforts to obtain widespread publicity for the President's WORLDNET speech were successful. Ambassador Whittlesey hosted a reception for the foreign affairs elite at the Embassy this afternoon to watch the President's address. Post was gratified by the high-level turnout.

Attending the reception were:

Ambassador Francis Pianca, Head of the section for North America and Europe in the Federal Department of Foreign Affairs.

Dr. Kurt Wyss, Deputy head of the section for North America and Europe in the Federal Department of Foreign Affairs.

Dr. Othmar Wyss, Assistant head of the section for North America and Southern Africa in the Federal Office for Foreign Economic Affairs.

Mr. Philippe Jacard, Assistant to the Minister for Public Economy.

Mr. Adolf Peter, Assistant Director of the Federal Finance Administration.

(TV placement): Swiss German and Swiss Italian television carried excerpts of the speech complete with WORLDNET logo.

(Radio placement): The main news reports on June 5 of Swiss German Radio carried reports on the speech.

Super Channel's "ITN News," increasingly watched by the English-speaking community in Switzerland, also carried excerpts from the President's speech complete with the WORLDNET logo.

#### TURKEY

USIS Ankara welcomed six guests to the initial broadcast, including journalists from the semi-official Anatolian News Agency, the Associated Press, and the largest Turkish daily, "Hurriyet," as well as professors of political science from three different universities in Ankara.

(TV placement): President Reagan's speech from Venice was the second item on the prime evening news of Turkish Television (TRT) on Friday, June 5. The voice-over clip from the WORLDNET broadcast lasted one minute five seconds, focusing on the INF negotiations, NATO's strategy of flexible response, the elimination of subsidies for agricultural products, and the elimination of instability in exchange rates.

(Secondary usage): Copies of the transcript as received via wireless file on Saturday have been distributed to 420 DRS members.

#### UNITED KINGDOM

USIS London feels the program was a big success as they hosted the representatives from the following media for the program: Mexico TV, Concorde Press, Saudi Press, Xinhua News Agency, Chinese News Agency,

Reuters, Associated Press, The Independent, Euromoney, Wall Street Journal, The Times, Daily Telegraph, Toronto Star, Sunday Times, Journal of Commerce, U.S. Radio, BBC Radio, and BBC Radio.

Print Placement:

The liberal Guardian correspondent in Venice, Alex Brummer reported: "President Reagan in a speech broadcast by satellite, from his Venice retreat urged Washington's European allies swiftly to step up spending on conventional forces as the U.S. and Soviet Union move towards an agreement on nuclear weapons...his resolute message came as he reiterated the Administration's belief that prospects were good for a Euromissile accord now that West Germany was on board... In a broad speech...Mr. Reagan also made it clear that the U.S. has the West German economy in its sights for the meeting of the seven Heads of government... The President's harsh language about the lack of German growth, on the eve of the Summit, suggests that the economic agenda will not be the routine affair portrayed...although Mr. Reagan has assured that Chancellor Kohl gets a rough ride over his country's economy...German support of the double-zero option has opened the way for Mr. Reagan to move forward on his arms agenda..."

The conservative Daily Telegraph correspondent in Venice, Ian Brodie reported: "President Reagan urged the Soviet Union to embrace true openness for its economy, politics and people yesterday. 'Let your people go,' he said, in an address from Venice on the United States government's world television network...yet, mindful that a treaty on intermediate-range nuclear weapons is within reach, his rhetoric towards Moscow was challenging rather than unduly belligerent. He even held out a promise of economic co-operation."

The Independent Financial Times U.S. editor in Venice, Stewart Fleming reported: "President Reagan yesterday signalled U.S. dissatisfaction with West Germany's reluctance to take further steps to stimulate its economic growth... The President's comments...contrasted with the absence of any similar expressions of dissatisfaction about Japan's moves to stimulate its economy. Although these have been publicly welcomed in Washington, they have fallen short of U.S. hopes. The President has missed no opportunity in comments and speeches in the run-up to the summit to portray Western societies and economies as more dynamic and free. His aim seems to be to counter Soviet leader Mikhail Gorbachev's growing popularity in Western Europe - something about which U.S. policymakers are deeply concerned."

Centrist the Independent correspondent Brian Cathcart reported: "...His comments on arms control emphasized Western unity, but when he turned to economic matters he did not spare his friends. 'It is essential that Germany follow up on its commitment to revive its sluggish economy. Japan, too, could help right the imbalance in the world economy'...for his part, he promised to go directly to the American people in the coming months and say: 'It's time to demand real budget reform.'"

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FIELD REACTION AND MEDIA PLACEMENT  
WORLDNET DIALOGUE WITH  
U.S. SPECIAL TRADE REPRESENTATIVE  
CLAYTON YEUTTER MAY 29, 1987

BELGIUM

USIS Brussels notes that despite the holiday weekend, Ambassador Yeutter's dialogue attracted a number of the highly specialized press who cover trade and European community matters.

Questions were asked by:

Gianpiero Gramaglia - Ansa (Italy)  
Sandy Bullock - McGraw-Hill Publications

Other journalists present were:

Phillipe Lemaitre - Le Monde  
Delvyn Heure - VWD (West Germany)  
Gary Yerkey - Time Magazine stringer  
Robert Burns - Associated Press  
M. Bryde - Danish News Agency

Also attending were USEC representatives and the economic and commercial sections of the Embassy.

CANADA

USIS Ottawa had an outstanding turnout for the program despite the fact that Ottawa was only a passive participant and the Canadian government had scheduled three important briefings for the same time period.

Participants:

Gilles Gauthier, La Presse  
Hy Solomon, Financial Post  
Brian Cole, Winnipeg Free Press  
Chris Waddell, Globe and Mail  
David Stewart-Patterson, Globe and Mail  
Val Sears, Toronto Star  
Wayne Brown, Standard Broadcast News  
Brian Kelleher, CBC Radio  
Bob Quinn, CKO Radio  
Randy Fletcher, Newsradio  
Sam Rainboth, Chez  
Denise Lupien, Radio Canada (radio)

(Print placement): On May 30, the "Toronto Star" (circ. 517,000) printed a two column, by-lined article on the program under the heading, "Big issues remain in free trade talks: U.S. trade chief."

John Spears (who questioned Ambassador Yeutter during the program) filed report entitled "Big issues remain in free trade talks: U.S. trade chief." Excerpts include:

"None of the important issues have been resolved yet in the free trade talks between Canada and the U.S., says top U.S. trade official Clayton Yeutter.... Yeutter's comments came on the heels of a suggestion by Premier David Peterson and U.S. Commerce Secretary Malcolm Baldrige that the deadline might be extended by a year. Yeutter was speaking in six cities by a television hook-up on the U.S. Information Service program WORLDNET.

"Asked what issues remain unresolved in the free trade talks, Yeutter said: 'I suppose the simple answer would be: Most all of them.' He said he's still optimistic about meeting the Oct. 1 deadline.... Yeutter downplayed the danger of protectionist feelings in Congress.... Turning to the economic summit of the seven leading industrial nations, Yeutter said he expects arms control will be an important issue at the upcoming talks in Venice. He also singled out agricultural trade as a crucial area needing attention."

USIS TORONTO notes that Amb. Yeutter's full and thoughtful replies belied the sense of time constraints inherent in having such a large number of interactive Posts and made for a very substantial program.

Attendance in Toronto at the dialogue with USTR Amb. Clayton Yeutter included:

Bodine Williams, reporter, CTV Television News  
Catherine Holt, reporter, CBC Radio  
Dick Chapman, reporter, Toronto Sun  
John Speirs, reporter, Toronto Star  
Erik Nilsson, senior economist, Bank of Nova Scotia  
Tom Hutchinson, senior economist, Toronto Dominion Bank  
Anna Guthrie, chief economist, Loewen, Ondaatje, McCutcheon & CO., (member Toronto Association of business economists)  
Peter Dawes, acting president, Canadian Importers Association  
Karim Durzi, senior policy analyst, Ministry of Industry, Trade & Technology

#### FRANCE

USIS Paris commented that the May 29 WORLDNET with U.S. Trade representative Clayton Yeutter provided a comprehensive and authoritative view of U.S. trade positions and underscored the administration's expectations for the upcoming economic summit.

Our audience included:

Jean-Pierre Audoux, Secretariat General De La Defense Nationale  
Bryan Childs, Reuter  
Marlene Kanga, Societe Generale Bank  
Sabine Mathieu, Banque Nationale De Paris  
Philippe Mudry, Agence France Presse

Paris' three questions were asked by:

Axel Krause, economic reporter for the International Herald Tribune  
Maryse Mano, second French television channel, Antenne-2  
Catherine Antoine, Economic Daily La Tribune De L'Economie



(TV placement): In a special report on Japanese trade policy, Antenne-2 used about 16 seconds of footage of Ambassador Yeutter (with voice over) in its prime time newscast on May 29.

(Print placement): In a report in its May 30-31 edition, daily "La Tribune De L'Economie" quoted Ambassador Yeutter, citing an international video press conference.

#### GERMANY

USIS Bonn received solid cooperation from the Embassy economic and FAS sections in drawing the following persons to this pre-summit discussion:

Media (press and electronic)

Hoech, Rudolf - Hessischer Rundfunk, Bonn  
Juterczenka, Manfred - Deutschlandfunk, Cologne  
Mueller-Lohmann, Herr - Agrar-Europe, Agricultural News Service, Bonn  
Fleischhauer, Heinz - Deutschlandfunk, Bonn  
Schlamp, Hans-Juergen - Der Spiegel, Bonn  
Bremer, Ulrich - SFB Free Berlin Radio, Bonn

Government, institutions

Tembrink, Heinz - BDI - Federation of German industry, Cologne  
Bardt, Dr. Ruprecht - German Federation of Import-Export & Wholesale Traders, Bonn

Lotz, Klaus-Martin - German Farmers' Association

(Participant reaction): As he left the conference room after participating in this WORLDNET interactive, one of the officials from the federation of German industry described Ambassador Yeutter's performance as "brilliant." The official went on to say that he found Yeutter particularly skilled at going to the core of an issue and stating the U.S. position firmly and convincingly -- high praise for this dialogue on trade.

(Radio placement): Heinz Fleischhauer of Deutschlandfunk, in Bonn, filed his story to Deutschlandfunk's 16:00 radio news (est. 50,000 listeners) via Embassy phone even before program was over.

#### IRELAND

USIS Dublin's PAO hosted four Irish officials closely associated with multilateral trade matters to view the interactive. They were: Barry Hart and Ann Troy, Department of Industry and Commerce; Pat Craddock and Piaras Mceinri, Department of Foreign Affairs.

Participants, who followed the program attentively taking frequent notes, remarked on Yeutter's reassurance that no trade war is in the offing. They listened closely to his words on the potential for an EEC fats and oils tax provoking counter measures, since agricultural trade is the Summit question of most interest to Ireland. Hart judged that the recent OECD ministerial statement on the need to reduce agricultural subsidies was a key victory in the U.S. drive to reduce these expenditures.

## ITALY

May 30 editions of several major Italian newspapers reported on subject WORLDNET. Both of Rome's interactive participants (from leftist, independent La Repubblica and Rome's centrist Il Tempo) filed specific reports on program and quoted extensively from USTR Yeutter's remarks. Three other newspapers referred to the interview in the context of stories focusing on Japan's economic plans.

La Repubblica (estimated circulation 500,000) carried a three-column report and Yeutter's photograph in its economic section under headline "Yeutter: 'Venice Summit will lead to stable exchange rates'." Economic writer Elena Polidori, one of the interactive participants, noted that "Yeutter made a point once again of urging West Germany and Japan to push the international recovery," and "warned that if import duties on agricultural products continue to grow, a U.S.-EEC trade war would be a possibility. The U.S. trade representative was optimistic regarding prospects at the Venice Summit, while admitting that not everybody agrees with him...."

"Yeutter: 'defeating recession is in everybody's interest'," reads the headline of an article in Rome's centrist Il Tempo (estimated circulation 135,000). Tullio Ciarrapico, the paper's interactive participant, noted that "according to Yeutter, Venice is the right occasion for 'a useful discussion on international economic growth'... In sum, no risks of a failure or of the feared 'split' among the major industrialized countries, at least as far as economic issues are concerned... The United States, said Yeutter, goes to Venice with a constructive attitude."

The three newspapers which cited the program in their stories on Japan were leading financial daily Il Sole-24 Ore (estimated circulation 250,000); communist party official organ L'Unita' (200,000); Socialist party official organ avanti (60,000). Of the three articles, the one in Il Sole-24 was the one devoting more attention to USTR Yeutter's press conference.

## JAPAN

(TV placement): Thirty minutes after the WORLDNET sign-off, on the late TBS evening news Mr. Tasuku Asano used a 2 minute segment of this WORLDNET and summarized the interview with Yeutter for 3 minutes more (est. 5 million viewers).

(Print placement): "Yomiuri Shimbun's" May 30 evening edition carried 6 column inch article on the program (circ. 4.8 million).

UNITED KINGDOM

USIS London notes that the large attendance at this WORLDNET reflects interest there in trade issues. The following people attended the May 29 WORLDNET with USTR Yeutter:

Peter Norman, Wall Street Journal  
Li Bengyang, Xinhua News Agency  
Tom Gulbrandson, UPI Radio  
Peter Montagnon, Financial Times  
Janet Porter, Journal of Commerce  
James Morgan, BBC World Service  
Ian Henley, CBI  
Ian Hunter, World Today  
Nick Clark, Newsnight  
Larry Donovan, Christian Science Monitor  
Maria Almendra, Mexico TV  
Tom Beurkley, AP Dow Jones  
Jemima Kallas, American Chamber of Commerce  
Sarah Lambert, Independent  
John Hooper, Guardian  
Richard Gwyn, Toronto Star  
Colin Narborough, The Times  
Rupert Oldham, Knight Ridder  
John Witherow, Financial Times  
Stephen Woolcock, CBI

The journalists were impressed with Clayton Yeutter's direct yet thoughtful responses to questions on very difficult issues. He squarely addressed the trade issues of Japanese rice, oil seeds and telecommunications.

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FIELD REACTION AND MEDIA PLACEMENT  
WORLDNET DIALOGUE WITH  
SECRETARY OF STATE  
GEORGE SHULTZ

BELGIUM

USIS Brussels was passive for the dialogue with Secretary Shultz, but the program attracted journalists from important Belgian papers representing both major language communities, and the international press that covers European community affairs. Journalists attending were:

Pierre Lefevre - Le Soir  
Luc Coppens - De Standaard  
Philippe Le Maitre - Le Monde (France)  
Alessandro Parone - Ansa (Italy)  
Dieter Ebeling - DPA (West Germany)

CANADA

USIS Ottawa had 10 guests. The Post was pleased by questions that were posed and by the Secretary's thorough answers.

Questioners were:

Brian Kelleher, CBC Radio  
Jeff Sallot, Globe and Mail  
Susan Flory, CKO Radio  
George Appleton, Independent Satellite News

Other guests included:

Gilbert Bringue, Radio Canda (Radio)  
Wayne Brown, Standard Broadcast News (Radio)  
Gilles Gauthier, La Presse  
Ken Rockburn, Chez Radio  
Henry Lotin, External Affairs  
John Becker, Political Section

(Print placement): On June 3, the "Globe and Mail" (circ. 317,000) printed a 3 column article on page 5 headlined "U.S. backs Mulroney's call to end European subsidies for agriculture" by Jeff Sallot, Globe and Mail bureau chief.

FRANCE

USIS Paris reports that the program gave their audience an authoritative view on a wide variety of issues. They believe the Secretary's response to Paris' first question effectively reinforced the importance the U.S. attaches to allied consensus on how to handle nuclear force reductions negotiations.

Paris' three questions were asked by:

Monique Villa, diplomatic service at Agence France Press (first and second questions); Laurent Munnich, foreign affairs reporter for daily Le Presse (third question). In addition, the audience included Carlos De Sa Rego, defense reporter with Daily Liberation.

GERMANY

USIS Berlin reported: In a crisp, well-timed presentation, Secretary Shultz delineated the priorities of the upcoming Venice Summit, renewed America's commitment to Berlin, called for the removal of the Berlin Wall as a first step toward German re-unification and described progress toward global arms control. Some twenty Berliners formed the audience for this topical and stimulating exchange following an introduction to the subject by the U.S. Mission's economic adviser. The program received broad media coverage.

Following an introduction by U.S. Mission economic adviser Elizabeth Jones on the Venice Summit, an America House audience of some 20 journalists, economists and businessmen hear Secretary Shultz comment on trade and economic issues facing the alliance. The program gave three Berlin questioners an opportunity to ask about the President's June 12 trip to the city, a topic of great media interest here. The Secretary reaffirmed that it is U.S. policy to support concrete improvements in inner-German relations and promote a better life for the city. Following the broadcast, several of the questioners remarked on the timeliness of this interview opportunity and the significant way in which WORLDNET has enhanced global communications.

The following participants took part:

Media (press and electronic)

Werner Thies, political editor, SFB-TV (network affiliate)  
Claus Hoecker, deputy Berlin bureau chief, German Press Agency  
Manuel Fernandes-Staacke, economic editor, DER Tagesspiegel  
Ferdinand Klien, political editor, Rias Berlin  
Peter Schnappauf, political desk trainee, SFB-TV  
Hans Joachim Werbke, Berlin bureau chief, North German Radio  
Annagret Schroeder, Berlin correspondent, Handelsblatt

Academic:

Dr. Jakob Schissler, asst. prof. political science, free university Berlin  
Christian Tuchoff, teaching asst., political science, free university Berlin

Business and professional:

Dr. Horst Seidler, deputy director, German Institute for Economic Research (DIW)  
Gunnar Graf, Citibank Berlin  
Robert Lochner, director, Institute for Journalism (a training institute for Third World journalists)  
Herr Von Muenchow-Pohl, program specialist, Berlin Chamber of Commerce

Government:

Hans Wiessmann, deputy director, Federal German Press Office Berlin

The interactive received considerable media coverage. SFB-TV's evening news show, "Abendschau," aired a 90-second report on June 2. Reporter Werner Thies, a questioner, included excerpts from Secretary Shultz's answer to his inquiry about Berlin and German reunification. Independent Der Tagesspiegel (page 3) independent-conservative Berliner Morgenpost (page 1) and Tabloid Berliner Zeitung (page 4) carried reports on the interactive, emphasizing the Secretary's remarks on German unity and his call for removing the Berlin Wall.

#### INDIA

(TV placement): GOI National Television carried excerpts from Secretary Shultz' Euronet interactive on both Hindi and English early morning news broadcasts June 3. The Hindi language segment aired for 25 seconds at 0735 hours and English language footage ran for 43 seconds at 0805 hours (potential 35,000,000 viewers). The excerpts were obtained from Visnews, and prominently displayed the WORLDNET logo.

#### ITALY

Despite fact that Rome's WORLDNET staffers are all in Venice preparing for the Presidential visit/summit and our WORLDNET room is not available in this period, Post did not want to pass up the opportunity to use Tuesday's valuable program with Secretary Shultz which was a most useful scenesetter to the summit. The journalists present regretted that Italy was not an active participant on this occasion since they would have welcomed the opportunity to pose questions directly to the Secretary.

Present in our small studio at USIS Rome were: Fabrizio Dragosei, economic writer for leading centrist Corriere Della Sera; Paolo Bonaiuti, economic writer for Rome's centrist Il Messaggero; and Jill Sarjeant of Reuters news agency.

Both Italian journalists attending the program filed reports on June 3. Corriere Della Sera (estimated circulation 510,000) gave Dragosei's article front-page attention under headline "Reagan lands in Venice tonight, will ask support for the Persian Gulf." Report notes that during his WORLDNET press conference "Secretary Shultz let it be clearly understood yesterday that the United States will insist in Venice that the seven agree on concrete measures and, most of all, take a position on the delicate issue of the Persian Gulf--even though the latter is not on the summit's agenda. Shultz also explained what the United States expects from the allies: 'At a minimum, general support in principle of the importance of keeping open the Hormuz Strait in order to protect navigation in international waters....'"

Second article, in Rome's centrist daily Il Messaggero (fourth best-selling Italian paper, estimated circulation 270,000), is headlined "Shultz reiterates: it's now Tokyo's and Bonn's turn to keep up economic growth." Author Paolo Bonaiuti writes: "Shultz defined the U.S. position at the Venice summit... He said that international economic growth cannot come from a single country, i.e. America...."

Both Italian journalists attending the program filed reports on June 3. "Corriere Della Sera" (circ. 510,000) gave an article front-page attention under the headline, "Reagan lands in Venice tonight, will ask support for the Persian Gulf." The article in Rome's centrist daily "Il Messaggero" (circ. 270,000), is headlined, "Shultz reiterates: It's now Tokyo's and Bonn's turn to keep up economic growth."

#### JAPAN

(TV placement): TBS 11:00 p.m. news of June 2, used material from the program 30 minutes after the WORLDNET sign-off, and carried one minute of TBS's interactive portion and a one minute commentary on the Japanese role in the Persian Gulf.

TBS's high rated 24-station nationwide evening news "Newscope" (18:30-19:20 hrs) gave Shultz approximately 3 minutes on June 3 (est. 1.4 million viewers).

TV 12 (TV Tokyo) carried a one minute correspondent report on WORLDNET in their morning business news on June 3.

NHK used a one minute report from their Rome correspondent in their 10 a.m. and noon news (est. 11 million viewers).

(Print placement): "Tokyo Shimbun" (circ. 1,381,500) carried 12 column inches on the program.

"Nihon Keizai Shimbun" (Japanese Economic Journal) (circ. 2,424,605) carried six column inches under the headline, "Japanese contribution in the Persian Gulf."

#### SINGAPORE

(TV placement): On June 3, the state-owned Singapore Broadcasting Corporation (SBC) TV used a 30-second excerpt in their prime time, evening, English-language news bulletin (est. 600,000 viewers). The clip was obtained from WTN or Visnews.

#### UNITED KINGDOM

USIS London states that this 30 minute press conference went by very quickly. The questions certainly covered a wide range of issues which at times restricted the depth of the discussion on particular topics.

(Print placement): London's print media coverage of Secretary Shultz' WORLDNET included articles under the following headlines:

- "Gulf of Good Hope" ("Times" Editorial)
- "Reagan to Seek Joint Funding of Gulf Patrol" ("Times")
- "U.S. and Moscow United for Iran Arms Embargo" ("Times")
- "Shultz Plays Down Gulf Role" ("Guardian")
- "U.S. May Seek Gulf Patrol Fee from Japan" ("Daily Telegraph")
- "U.S. Expectations over the Gulf" ("The Independent")



The conservative Times editorialized: "Into the International Gloom of recent months has come one shaft of light: A plan, as yet at an early stage, for an international effort to end the Gulf war...The most heartening aspect of this development, aside from the distant prospect of peace it holds out for the Gulf, is that it was proposed by the United States and subsequently supported by the Soviet Union. It is believed to be the first example of superpower cooperaton at the U.N. for many years... "(But also) a security council resolution would signal clearly to Iran that the nature of its regime and its pursuit of the war with Iraq have been found internationally unacceptable. To that extent it would be welcome. It would be double welcome if at the same time it heralded the diminution of superpower rivalry in one volatile part of the world. Unless, however, the desire to end the war in principle is accompanied by a readiness in practice to forego some of the profits, the efficacy of the resolution will be severely restricted."

The Times also carried the following article by Washington correspondent Christopher Thomas who said: "...Mr. George Shultz, speaking yesterday on the eve of Mr. Reagan's departure, noted that Britain's Military presence in the Gulf region - two frigates and a battleship - was proportionally greater than America's and indicated that the U.S. would not expect more. "Noting that there was also a French presence in the area, Mr. Shultz said that the U.S. was 'not necessarily' seeking a greater military presence in the Gulf by the allies...Mr. Shultz indicated that the U.S., as the biggest oil consumer and importer in the world accepted that it would bear the main burden..."

The Times also carried the following article by Zoriaia Pysariwsky in New York: "...according to the draft the side that refuses to enter peace talks - an allusion to Iran, which has resisted past peace efforts and boycotted council meetings of the matter - will be subjected to an Arms embargo.

The initiative marks the first public Soviet recognition of a U.S role in the Gulf and an acknowledgment that the interests of the two powers in that part of the world overlap.

"Rather than resort to the traditional reflex action of thwarting the U.S. by attmpting to to obstruct the American campaign to force Iran to the bargaining table, Moscow has joined the venture wholeheartedly..."

The Liberal Guardian Washington correspondent Alex Brummer reported: "...Mr. Shultz' comments, which were foar milder than those of the President a day earlier, appeared to recognize the unwillingness of Britain and other Western allies to join the U.S. in a multilateral patrol, or some other arrangement. The U.S. was looking for 'different things with different countries,' he said..."

"Aware of the cool presponse in Britain to Mr. Reagan's request for cooperation, Mr. Shultz added: 'I'm not sure that any special thin needs to bve done as far as coordination of British ships and ours is concerned...'" "His comments appeared to reflect recognition of the deep embarrassment which Anerican calls for air cover and other British support in the region have caused Mrs. Thatcher in the middle of the election campaign. However, he made it plain that the President would be raising the issue at the Summit..."

The Conserative Daily Telegraph Washington correspondent Ian Brodie reported: "Pentagon Chiefs are considering a plan to ask Japan, and possibly West Germany, to contribute to the cost of keeping the Gulf oil lanes open, but President Reagan has ruled out erecting a joint command of American and British Naval Patrols to protect shipping.

'Mr. Shultz said yesterday that a boost to allied forces in the Gulf was not vital, but that possible contributions from Western allies should be examined... (Though) it was apparent from Mr. Shultz that details remain vague about what form the support should take..."

(Radio placement): BBC Radio 4 and World Service carried brief comment and actuality of the Secretary's appearance, concentrating on his statements on the Persian Gulf.

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FIELD REACTION AND MEDIA PLACEMENT  
WORLDNET DIALOGUE WITH  
SECRETARY OF THE TREASURY  
JAMES BAKER

BELGIUM

USIS Brussels reports that the program attracted journalists from two of Belgium's major newspapers, and from the news agencies that cover the European community. Ambassador Swaebe attended the WORLDNET, along with officers from the economic section and the foreign commercial service and the U.S. Mission to the European communities.

(Print placement): The liberal Catholic daily "De Standaard" (circ. 353,000), in an article on the Volcker resignation, quoted this WORLDNET interview.

CANADA

USIS Montreal's questioners were:

Jean Pelletier, "Le Journal De Montreal"  
Jay Brian, "The Gazette"  
Tom Velk, CFCF-TV  
Trudie Mason, CJAD Radio

Other guests included:

Eddie Austin, "The Gazette"  
Albert Juneau, "Le DeVair"  
Rudi Lecourt, "La Presse"  
Marc Laurendeau, Radio Quebec TV  
Andre Dallaire, NTR (Canadian Press) Raido  
Alex Thompson, Royal Bank of Canada  
Raymond Theoret, Banque Nationale

Participants said later they had found Secretary Baker's answers incisive and useful. The Secretary's remarks concerning the international importance of the U.S./Canada bilateral trade negotiations were especially helpful.

(Print placement): Montreal dailies "La Presse," "Le Journal De Montreal," and "Le DeVair" all carried reports on subject WORLDNET June 4. Press placement follows:

Publication name: "La Presse"; Date: June 4, 1987; Length: 3 columns; Circulation: 188,000; Headline: "Greenspan nomination aimed at relieving uncertainty on eve of Venice Summit/according to the Secretary of Treasury James Baker;" Location: front page of business section.

"Le Journal De Montreal"; Date: June 4, 1987; Length: 3 columns; Circulation: 309,000; Headline: "Washington plays the martyr/before the Venice Summit;" Location: front page of business section.

Publication name: "Le DeVair"; Date: June 4, 1987; Length: 2 columns; Circulation: 30,000; Headline: "Baker reassures financial markets/Greenspan nomination;" Location: section A-9. (Note: This article based on AFP report datelined Paris.)

Following are excerpts from Rudy Le Cours' article in "La Presse": "The announcement of Paul Volcker's replacement by Alan Greenspan as Head of the Federal Reserve was aimed at relieving uncertainty among the industrialized nations on the eve of the Venice Summit. This was the position taken yesterday by the American Secretary of Treasury James Baker during a satellite press conference organized by the WORLDNET network. Journalists in Bonn, Brussels, London, Paris, Tokyo and Montreal took part in it.

"At the beginning of the session, journalists in Europe expressed concern that the announcement of Mr. Volcker's departure had caused a temporary fall in the markets..." "This reaction doesn't worry us," said Mr. Baker... "We're convinced that everything will be back to normal soon. If we had left in abeyance the name of Mr. Volcker's successor during the summit, it would have been a mistake..."

"Mr. Baker acknowledged that the American economy was slowing down a bit after a 54-month period of growth. He called for countries with large trade surpluses - he mentioned Japan and the Federal Republic of Germany - to take over from the United States as the engine of growth for the world economy..."

"The American Secretary of the Treasury also noted that the seven should try to reach an understanding to reduce subsidies to farmers, without which - against its wishes - the U.S. might have to take retaliatory measures. 'Frankly, I believe that if the U.S. becomes more protectionist, it would be the worst thing possible for international trade....' "Finally, Mr. Baker said he favored the conclusion of a U.S./Canada free trade agreement."

Economic analyst Jean Pelletier's column in "Le Journal De Montreal" said in part: "To listen to President Reagan's principal advisers and a number of Senators, the United States is fighting all alone for world growth. They accuse Japan of 'dumping' in U.S. markets and Germany of acting like Canada by not according concessions... Of all the advisers and secretaries in the Reagan Administration, Secretary of Treasury James Baker is without a doubt the one who best articulates this image of a martyr which the American government is trying to project.

Yesterday morning during a press conference by satellite organized by the WORLDNET network which 'Le Journal' attended, Mr. Baker declared that to the extent that Canada and the United States can reach an agreement on bilateral trade liberalization, it would serve as an example for all other countries on the planet. But Mr. Baker added that we are not yet at the point where such an agreement can be finalized...

"Mr. Baker believes that in Venice President Reagan will ask Japan and West Germany to assume more of the load Washington now carries. 'They must take up the slack.' Mr. Baker said, 'that is, Tokyo and Bonn should devote a larger portion of their trade surpluses to investments at home...'"

"Mr. Baker also denied rumors that the resignation, Tuesday, of the Head of the Federal Reserve, Paul Volcker, was due to any disagreement with the Reagan Administration. Mr. Baker maintained that Volcker could have stayed on for a third term, had he wanted to, and that his successor, Alan Greenspan, would pursue the same anti-inflationist policies..."

USIS Ottawa's participants were:

Madeleine Drohan, Maclean's Magazine  
Gilles Gauthier, La Presse  
Henry Lotin, Dept. of External Affairs  
Gord Macintosh, Canadian Press Wire Service  
Don McCutchan, Dept. of Finance  
Davis Stewart-Patterson, Globe and Mail  
Hy Solomon, Financial Post  
Dan Turner, Ottawa Citizen

Interest was keen among the journalists and government officials that attended; all are anxious for copies of transcript. A Dept. of Finance official indicated that he planned to provide the finance minister with a copy of the Baker transcript for review prior to the Summit.

Subject WORLDNET garnered 3 reports in the print media and was the subject of an item on CTV's morning news and public affairs program, Canada-AM. The Secretary's remarks on free trade highlighted Canada-AM report.

CP story by reporter who attended WORLDNET, quoted the Secretary's remarks on a possible EEC oil fats tax, U.S. protectionism and Paul Volcker's retirement. Excerpts include:

"The U.S. will retaliate if the European Economic Community goes ahead with an oil fats tax on a wide range of products, U.S. Treasury Secretary James Baker said Wednesday. Baker was speaking from Washington in a closed-circuit briefing for the seven major industrialized democracies in Venice. His remarks varied from tough undiplomatic talk to pleas for conciliation among summit participants. He said it is important for the world economy that the Reagan Administration prevent the U.S. Congress from escalating protectionism. But the Administration will lose that struggle if the EEC taxes oil fats products.... Baker dismissed Tuesday's plunge in world financial markets on news of Paul Volcker retiring as Chairman of the U.S. Federal Reserve as the usual knee-jerk reaction. Market recovery by Wednesday morning was proof of that, he said...."

Globe and Mail (circulation 317,000) business columnist Peter Cook, who attended WORLDNET and is travelling to Venice for the Summit, filed a report in June 4 paper entitled "Getting that sinking feeling about Venice." Partial text follows:

"While it is easy to throw stones and accuse the Reagan administration of making policy mistakes, the fact is that Washington - departing Federal Reserve Board Chairman Paul Volcker a towering figure in the process - can take credit for leading the world out of the recession of the 1980s. That period of leadership, however, cannot continue. So the job in Venice is to work out how, in the absence of Washington, the world can avoid sliding into an unwanted recession."

"To judge from statements made by U.S. Treasury Secretary James Baker, on a WORLDNET worldwide press conference from Washington yesterday, grand initiatives to do this will have to wait. If there is a word that is currently a favorite of Mr. Baker's, it is the word 'reaffirm.' A lot of things in Venice are to be reaffirmed.... Mr. Baker is in a mood not just to affirm the positive state of international economic co-ordination that exists after recent Finance Ministers' meetings in Paris again but to say how satisfied he is with the size of Japan's latest stimulus effort and, yes, even Canada might be able to help out too."

"He also asserts, in passing, that it is the right of each country to conduct its economic affairs as it chooses. But, lest that should be thought of as too negative, he hastens to say that the Venice meeting will provide an opportunity for the Heads of State to reaffirm what Finance Ministers have agreed to in the way of consensual cooperation.... Yes, it will be pleasant if the Heads of State reaffirm what the Finance Ministers have affirmed, as Mr. Baker has said they will. But if that is going to be the main result of an economic summit - otherwise filled in with talk of policies toward the Soviet Union, the Persian Gulf, Aids, African debt and the Geneva trade talks - then it will be a case of the Western economies lying down and waiting for the steamroller to hit them..."

"If one can make a generalization, it is that the U.S. has shown itself able to act as an economic leader, as it did in the first half of the 1980s, but has the clout to do this only fitfully... The U.S. - shackled by deficits that are not going to allow it to unshackle itself for years - simply cannot perform a global role. If the Venice summit affirms and reaffirms that we are on the right track, it will be a travesty of what responsible leaders ought to be doing and saying. It will also point to the vacuum left by Washington's loss of economic power."

Toronto Star (circulation 517,000) article by the paper's Washington-based correspondent dealt with the Secretary's remarks on free trade and tied them to Canadian International Trade Minister Pat Carney's visit to Washington on the same day. Entitled "Free-trade talks model for summit, U.S. says" report said in part:

"President Ronald Reagan will use the Canada-U.S. free trade talks to show leaders at next week's Venice economic summit that removing international trade barriers helps all countries, U.S. Treasury Secretary James Baker said yesterday. A Canada-U.S. trade agreement 'could have profound effects worldwide,' Baker said during a closed-circuit television interview broadcast to six countries...."

"Baker, one of the most influential U.S. cabinet ministers, said a free-trade deal 'would be a truly outstanding legacy' for Reagan.... But he warned reporters that it is too early to assume an agreement can be signed.... Among the obstacles, Baker conceded, is the rising mood of trade protectionism in the U.S. Congress.... Baker declined to list his country's exact goals regarding improved American access to Canadian financial circles - a subject that has emerged as a major obstacle in the trade talks...."

#### FRANCE

USIS Paris states that this was a fast-paced and dynamic exchange which gave Paris' audience an authoritative view of U.S. positions on economic issues.

Guests for this program included the following journalists (who did not pose questions):

Catherine Antoine, La Tribune De L'Economie Magazine  
Frederic blassel, Afrique Industrie Magazine  
Philippe demmonget, Marches Tropicaux Magazine  
Jacques Gautrant, Jeune Afrique Economique Magazine  
Ian Kristiansen, reporter, Agence France Presse  
Jean-Louis Lemarchand, reporter, Daily L'Express  
Georges Lory, Jeune Afrique Economique Magazine  
Philippe Mudry, reporter, Agence France Presse  
Francois Feron, reporter, Daily Le Matin  
Blassel, Frederic - Afrique Industrie  
Celeste, Marie-Claude - Radio France Internationale  
Dommanget, Philippe - Marches Tropicaux  
Gauthier, Xavier - Les Echos  
Gautrand, Jacques - Jeune Afrique Economie  
Jacquet, Laurent - Marches Tropicaux  
Jan Kristiansen - Agence France Presse  
Jean-Louis Lemarchand - Express  
Georges Lory - Jeune Afrique Economie

The following journalists asked questions:

Daniel Vigneron, reporter, Daily Le Matin  
Laurent Jacquet, Marches Tropicaux Magazine  
Philippe Sassier, economic reporter, Second French Television Channel, Antenne-2  
Xavier Gauthier, reporter, Economic Daily Les Echos  
Paul Fabra, journalist, Daily Le Monde  
Marie-Claude Celeste, journalist, Radio France International  
Georges Lory, Jeune Afrique Magazine (last two questions).  
Laurent Jacquet (Marches Tropicaux) '  
Marie-Claude Celeste (Radio France Internationale)

The African media welcomed this opportunity to participate in this particular WORLDNET and ask questions on issues of such vital concern to all African countries. They were also very pleased to have confirmation that Africa would be discussed at the Venice summit.



Headlines and press excerpts follow:

"Dollar: Baker excludes any new decline (AFP) "Baker tries to calm the situation" (liberation) "Iron hand Washington-Bonn" "Baker makes repeated declarations in effort to calm monetary situation" (Le Matin)

"Baker: No change in monetary policy" (La Tribune)

Excerpts from texts:

AFP from Paris dated June 3: "'Any new decline of the dollar would be counterproductive,' James Baker indicated during a televised conference transmitted live to the capitals of the countries participating in the Venice Summit next week....he confirmed that the appointment of Alan Greenspan as president of the fed will not mark a change in U.S. monetary policy.

Secretary Baker minimized the violent reaction of the markets. He said that U.S. officials 'anticipated' the reaction. He added that U.S. monetary policy will not be affected. During a televised conference, Baker noted that the markets 'had recouped' during the night and that they seemed to be 'stabilized.'...Concerning Greenspan's appointment, he indicated that the issue was to 'reduce uncertainty' and to prevent speculation....on the expected results of the Summit, Baker recalled that the countries signatories of the Louvre accord had agreed on 'improvement of the process of mutual surveillance' of economic policies. He added that he hoped the chiefs of states will reaffirm the points of agreement reached between the finance ministers....once more, he called on all countries with important surpluses to 'take the relay' from the U.S. to support growth."

Left-of-center liberation on page 9: "What about Volcker and Greenspan and the dollar? In his answers to journalists' questions during a satellite press conference on 'network' (Sic) network, James Baker tried to be reassuring....during 45 minutes, Jim tried to calm the situation. He was clearly trying to end the agitation of the financial markets after the announcement of Volcker's resignation. His objective seems to have been reached. The greenback gained strength after a spectacular fall."

Pro-socialist Le Matin on page 14 by reporter Daniel Vigneron: "James Baker did everything possible Wednesday to calm the financial markets during an interview broadcast by satellite....he had rarely been so clear in this area....the attitude of the Administration is not surprising. It is trying to show that, five days before the Venice conference, the announcement was not at all aimed at weakening the position of its industrialized partners. But, despite Baker's remarks, Washington's ulterior motives are clear. The issue is indeed to force West Germany to yield."

Financial La Tribune on page 2: "' I expect no change in U.S. monetary policy after Volcker's departure,' Secretary Baker said yesterday while answering questions from journalists in the main capitals during an interview transmitted by satellite. Baker said he was really unhappy about the departure of the president of the fed....Baker reaffirmed his attachment to the Louvre Accords which, according to him, are already bearing fruit. He feels that the U.S. has achieved substantial progress with the 18 percent cut in the budget deficit this year."

(Participant reaction): In particular, the Secretary's assurance regarding continuity in U.S. monetary policy in the wake of the resignation of former Federal Reserve Board Chairman Volcker and appointment of Dr. Greenspan was welcome news for concerned Europeans and will certainly be widely reported.

#### GERMANY

USIS Bonn reports that though Secretary Baker delivered no new messages in this rapid-fire interaction with European and Japanese journalists, he repeated and made crystal clear several important U.S. economic positions on the eve of the summit: U.S. monetary policy will not change under the new fed chairman, this administration stands solidly against protectionism, and trade surplus nations should grow a bit faster in the interest of the world economy. Our participants found it a very useful exchange.

The following persons attended this program:

Media (press and electronic)

Och, Wolfgang - Stuttgarter Zeitung, Bonn  
Baukhage, Claus - Deutschlandfunk, Bonn  
Hochberg, Hans-Heinrich - General-Anzeiger, Bonn  
Lidschreiber - Economic and social affairs editor  
Petra - WDR television, Cologne  
Finsterwalder - Sueddeutsche Zeitung, Bonn  
Untze, Sven - ARD television, Studio Bonn

Government, institutions

Otremba, Dr. Walter - Finance Ministry, Bonn

#### ITALY

As with June 2 WORLDNET featuring Secretary Shultz, USIS Rome did not want to lose the opportunity to have at least some participation in the Summit scene-setter WORLDNET with Secretary Baker, who was an articulate, astute spokesman on major economic and financial issues. Therefore, the Post again invited a small group of journalists to cover the program in our WORLDNET studio. Overall the journalists were pleased with the program although they complained that there were no news-making new revelations.

The three economic journalists attending the program were Roberto Stagno of leading centrist Corriere Della Sera; Paolo Bonaiuti of Rome's centrist Il Messaggero; and Alma D'Avanzo, of AGI news agency.

Both Stagno and Bonaiuti filed reports on June 4 emphasizing Baker's remarks re FRB chairman Volcker's replacement by Alan Greenspan. Headline of report in leading centrist Corriere Della Sera (estimated circulation 510,000) reads: "Baker reassures the allies: There will not be a new monetary course." Rome centrist Il Messaggero (estimated circulation 270,000) carries headline "Baker: Here is the U.S. position at the Venice Summit." Article says: "Baker's official version claims that disagreements between the Treasury Department and the Federal Reserve Board were limited 'to a few simple details.' One gets the impression, however, that the change of the FRB chairman foreshadows a policy aimed at letting the dollar drop further...."

Communist party official Organ L'Unita' (estimated circulation 200,000) also carried a report headlined "Wall Street salutes Greenspan but Baker threatens the EEC: If you only touch our exports..." Article notes: "Baker let it be clearly understood that if the United States will not obtain trade concessions such as to reduce its deficit, then the dollar will undergo a new devaluation as a reprisal measure...." The article mentioned that Baker was speaking via satellite.

#### JAPAN

(TV placement): NHK's nation wide morning news (est. 15.5 million) carried approximately 5 minutes of the Tokyo interactive segments.

(Print placement): "Yomiuri Shimbun" (circ. 9,109,000) printed three column inches under the heading, "The decline of the dollar is unproductive."

(Secondary usage): The Post shipped the VTR to all American Centers and NAHA for program use.

#### NETHERLANDS

The Hague was passive for June 3 WORLDNET dialogue with Secretary of the Treasury James Baker, but had five journalists and representatives from Ministry of Economic Affairs and Ministry of Foreign Affairs in attendance. Journalist for "De Telegraaf," the largest circulation daily in the Netherlands, filed a story which ran in the June 4 edition of his paper.

The June 4 financial section of De Telegraaf (conservative, sensationalist, mass-circulation Amsterdam-based morning daily, circulation 750,000) carried an article under the headline "Baker in TV-interview, Venice will be a confirmation of the Louvre accord." According to De Telegraaf, the economic summit in Venice will be a reconfirmation of the Louvre accord and the April IMF talks in Washington. Baker: "We had agreed then that the dollar had fallen low enough, and those countries with a surplus (Japan, and West Germany) should make an attempt to stimulate their economy. Japan is now doing just that with its expansion policy."

De Telegraaf gave credit for the TV interview with Baker to WORLDNET, quoting Baker as being happy with the Japanese economic stimulative policy, but stating cautiously "we now have to wait and see what this will mean in practice." The U.S. also tried supporting the dollar last month with 4 billion.

Article said Baker expected little lasting effect in the markets from the resignation of Fed chairman Volcker. Baker said that the administration would have been happy to have Volcker stay on, but that they felt fortunate in getting someone with such excellent qualifications as Alan Greenspan. It was not accidental that Volcker's departure was announced so close to the beginning of the economic summit, it would have been a mistake to wait until after the Venice meeting.

Article noted that Baker's economic recovery plan for Third World debt is not running as smoothly. Article noted that Baker stressed that U.S. banks had made provisions for writing off some Latin American debt, but did not expect to have to write off all the debts for which loss provisions have been made.

#### TURKEY

Istanbul was pleased to welcome journalists from three of the leading newspapers in Turkey to subject WORLDNET. In attendance were:

- Arslan Bartu, assistant foreign news editor of "Tercuman" (circ. 212,639)
- Seref Oguz, economic editor of "Tercuman"
- Zeynep Atikkan, economic editor of "Gunes" (popular, family; circ. 181,601)
- Osman Senkul, economic desk of "Cumhuriyet" (left-of-center; circ. 124,260)

#### UNITED KINGDOM

USIS London had representatives from the following media for the program:

Mr. Abboud, Saudi Press Agency  
Stephen Addison, Reuters  
Richard Gwyn, Toronto Star  
Michael Kahn, U.S. Radio  
Steve Katz, A.P. Radio  
William Keegan, The Observer  
Mark Leheney, Knight Ridder  
Geurt Linnebank, Reuters  
Sarah Miller, McGraw Hill, Inc.  
James Morgan, BBC Radio  
Ray Moseley, Chicago Tribune  
Janet Porter, Journal of Commerce  
Steve Levinson, The Independent  
Larry Donovan, CSM  
Tony Boyd, the Australian  
Mr. Buerkle, Dow-Jones  
Ann Segall, Daily Telegraph  
Urmi Rahman, BBC External Services  
Gavin Sheriff, Sunday Post  
Pamela Sherrid, U.S. News and World Report  
Phillip Stephens, Financial Times  
C. Timberlake, Associated Press  
Nick Towers, Department of Treasury  
Lal Bahree, AP-Dow Jones  
Chris Yang, AP-Dow Jones  
Li Zong Yang, Xinhua News Agency

Questions were asked by:

Li Zong Yang, Chinese Press Agency  
Richard Gwyn, Toronto Star  
James Morgan, BBC Radio

This WORLDNET was particularly timely. Secretary Baker's patients answers to the questions about Mr. Volker and Mr. Greenspan helped calm concerns here about the changeover at the Fed. Several journalists commented after the program that Secretary Baker's straightforward, reasoned answers demonstrated his firm grasp of the issues he is responsible for.

(Print placement): London's print media coverage of Secretary Baker's WORLDNET included articles under the following headlines:

"Dollars Faces New Pressure" ("Times")

"Baker Firm on U.S. Aim for Steady Dollar" ("Daily Telegraph")

"Reagan Off to Meet 'Partners For Peace'" ("Daily Telegraph")

"Baker Keeps Expectations Low For Major Economic Initiative"

("Financial Times")

"Calls For German Growth High on Summit Agenda" ("The Independent")

"Transatlantic Summit" ("The Independent Comment")

(Radio placement): BBC Radio 4 and World Service carried commentary on the Economic Summit including excerpts from the WORLDNET.

The Conservative Times Economics Correspondent, David Smith reported: "No new action will be taken to bolster the dollar at next week's Venice Economic Summit, the participants made clear yesterday. In the absence of such moves, pressure on the dollar could return. "In a satellite interview with foreign journalists, Mr. James Baker, the U.S. Treasury Secretary, said no new macroeconomic initiatives would be taken at the Summit. Mr. Baker said he was not surprised by the reaction of the foreign exchange markets to the decision by Mr. Paul Volcker, to stand down, but added that he believed such effects would be short-lived and that the dollar had stabilized..."

The Independent Financial Times Economics Correspondent, Philip Stephens reported: "...in a Satellite News Conference from Washington, Mr. Baker said that the seven were agreed that any further decline in the dollar's value could be counterproductive.' He declined, however, to comment on whether the U.S. felt that the present value of the dollar was 'appropriate.' "Mr. Baker said that he expected the Heads of State and Government at the Summit to re-affirm pledges to promote more balanced growth made by Finance Ministers and Central Bankers at their meetings in Paris and Washington earlier this year..."

Centrist the Independent Correspondents David Osborne in Brussels and Steve Levison in London said: "...James Baker said it was time for West Germany and other surplus countries to 'pick up the slack' left by the slowing of the U.S. Economy...

"Mr. Baker's remarks, made in a worldwide satellite press conference, indicate that pressure for expansionary measures is likely to be directed more against West Germany than Japan at the Summit. Mr. Baker said that Japan's 26BN pound emergency package of measures announced last week was 'a very positive development.' He also gave a glimpse of the likely U.S. Defense against criticism of its budget deficit, claiming there would be an 18 per cent reduction this year..."

The Independent commented: "The U.S. Treasury Secretary, endeavored to reassure the international markets yesterday that Paul Volcker's resignation resaged no change in policy; and to prepare a firm base for the Venice Summit by insisting that all participants were agreed that the dollar should fall no farther..."

"From both is and his colleague Malcolm Baldrige's comments yesterday it is clear that the United States still has guns trained on West Germany. Much skepticism remains about the scale of Japan's budget package, but Prime Minister Nakasome has turned the Americans up sweet by adding a few tax cuts; and spread a little goodwill around by a series of modest financial liberalisation measures..."

The Daily Telegraph reported: "...In a satellite television interview with journalists from six countries, including Britain, he said that America shared the view of the big seven industrial countries that 'any further fall in the value of the dollar would be counterproductive.'"