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6/20

10.21 For Sec still meeting Kohl not here - when he comes will let photos in,

10.24 press entering 11:02^h leaving - and bottles being placed on table
Have turned off the screen

Kohl - agree would have few & short papers.

Plenary Mulroney - plan was to have INF as a stand alone issue - regional issues mostly of the alliance and debate great accomplishment of Pres Reagan.

Plenary with Fin Min only - For Min still meeting on political statement.

Mulroney reviewing schedule & agenda

10.34 Wilson reports of discussions of Fin min 2 G7 meetings since Venice.

Reviews progress in economics -
ex rate, inflation, employment
Sound policies, better coordination
No room for complacency
Lists things to be done
Commod price indicator
structural policy

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Authority NSE/State/Exec. Sec. 1.2

3/16/2020

10 38

Wilson reading rapidly - standard content
Trade - Agriculture
Send strong signal to world
Mid term review - not only ag
C-US FTA important - single European market
NIE₂ - constructive dialog
Debt of poor - menu of options for creditors
Paris Club must examine
Middle income - supported by decision of G7
GCI for IBRD
Constructive dialog

10 42

Mul asks R² to talk on fiscal policy
Reads his TPA, Emphasis on structural policies
Re the 16 x 10⁶ new jobs in US - built created
by entrepreneurs - $\frac{2}{3}$ by employers of
fewer than 500.
A case budding peanut got arthritis - moved
into making brownies. Last year \$1.25 million
revenue, 35 employees. Classical example
of entrepreneur.

Mul says had not meant to limit R² to fiscal policy
Th - diff ~~two~~ between Cycles 1 & 2

- 1 dealt with distributing wealth
- 2 " " " producing "

Although Ron put in examples, it
really is a most fundamental sort
All Ministers trying to expand budgets
Cause of it + heads of govt must resist
They assume entitled to what they have
and just want more

1052 Mulroney - pub spending big part in Canada
deficit reduced last 4 yrs in C, first time in 40
years. Principal enemy is in our own govt -
ministers

Fr. fin min (name?). Will not have privatization
revenue, need to develop human resources
Congratulate JAB on Plaza agreement

1056 Delors Reasons 2nd cycle better - economies more
flexible, inflation controlled
3 main points for future
reinforcement of growth thru supply
side measures

EC must make greatest effort
The single market will be most important
structural reform

Cites figures totalling 6% BGNP ~~that~~
of gains.

Will not be a closed zone
Will be largest market in world.

Japan showing that cultural obstructions
not insuperable

- Are we concentrating enough on rural
development - towns, land conservation

Major companies really world wide
& integrated, but not govt

New frontier for growth in world mktls

1106 Mulroney - should congratulate leaders
of Europe, especially Delors - also
Mitterand, Kohl, Thatcher

1107 R² As gov of Cal found welfare cost \$2 for every \$1 reaching poor. Has tried to make USE more efficient. Passport delay down from 43 days to 12. Private sector - \$84 x 10⁹ in private charity - admin cost 6 or 7%.
First goal of bureaucrats is to preserve the bureaucracy
Looks at help wanted ads in Sunday Post 60-75 full pages. Similar in other cities
Reduce burden on govt, lower costs

1113 Lawson. Fiscal policy different 2 cycles
Cycle 1 - how to get growth - much emphasis but poor results. Reason neo Keynesian policies - raise govt deficit
Cycle 2 Fiscal policy to reduce deficits. UK now has a surplus - but in 7th year of growth
Not slack monetary policy
Structural reforms have done it - lists them
Change to where ordinary people can give of their best. A lot more to do
Fiscal pol not engine of growth. Should provide stability
Eliminate deficits, reform taxes to remove distortions + disincentives

1119 Kohl. Process of rethinking going on. Don't talk about a market econ but a social market economy. Need high degree of social justice
Tremendous opportunity in unified market
New quality of life

1122 Kohl - cont

Planning largest tax cuts in FRG history
Reform health insurance system - enormous
conflicts but costs too high + rising
Deregulation also heavily opposed - e.g. telecom.
Free econ means free bath to defend every
absurd position

Unemployment - structured in coal, steel,
shipbuilding, farmers. But unjustified
exploitation a serious problem

Inflation rate very very important - 2
disastrous experience

Sent out message of optimism + free markets
Countries everywhere adopting our policies

1129

Mulroney - all sounds like Canada

Takeshita - Should stress policy coordination -
will create confidence. Growth 87 Japan
4.9% - higher first for 88. Domestic demand led
growth will take root

Labor-mgmt relations excellent

Privatization of NTT successful

Plaza Agreement - Noboru means to rise.

People ~~had~~ said you rose but your
reputation went down.

Hopes stable X rates will continue

Struct adj based on Maekawa report
Ag, distrib, lab, tax reform on agenda
will introduce a consumption tax

Imports increasing

Promote policy coord

1137

1137

Baker. Pol coord process gives a pol process to better coord policies. Have proved it can work - will resist present offer Kaldor.

1140

Mulroney Congrats Baker for cooperation

1141

Amato. Fiscal policy, cycles 1+2

Deficit spending beyond a certain level harms econ. Had become mostly transfer. Reagan tax reforms important. Italy trying to make similar changes

Some pub exp useful

In Italy health all pub - but envy the HMO's of US

1149

Th - tell FM's either to speed up or to give up Reagan - quotes Kaldor - beginning of empire tax rate were low, revenues high; at end of emp reverse Estimators always think tax cuts lower revenue. etc

1153

GPS arrived

Reagan - filing case story from WW2.

1155

Bergevov - agrees with Delors re on market also with R that we should cut taxes Owe great debt to JAB, To finance growth must mobilize capital and that requires lowering interest rates [sic]. Must coordinate so all bring down rates together.

1159 Debt - Canada initiated idea at Commonwealth Summit
Kohl Problems in debtor countries. We must help
countries to use aid. Must not allow further
environmental devastation with our aid.
Must adopt global thinking

1206 Thatcher. Must give clear statement
Aid loans written off
Paris Club - ask them to negotiate agreements
so that option selected lead to fair
burden sharing

1208 Mulroney. Lunch 1230
Next session here 2³⁰ to 4⁰⁰
Then early evening at Hart House

1209 Wilson on debt wording. Nothing to add to what
Thatcher just said. Paris Club meets July, Summit
could give impetus
Baker agrees with Th & W. US aid 97% grants, but
we cannot ~~se~~ forgive principal
Stoltenberg - debt has to be considered in
relation to other issues. Our markets
need to be open, conditions for
investment must be improved as a
precondition

1224 Clark re pol. statement - ready to distribute
EW - terrorism - narcotics in political statement
Cham summary - mid east, So Af, Cambodia
Will make clear we have begun discussion
on some other regional issues & will continue
during remainder of Summit

1217

Amato - debt

Relation btwn reducing debt & development

Italian proposal should be taken account of
- combinations, partial cancellations

Mubony

Haiti - Namphy has announced he is in
charge. Few civilian casualties
Port au Prince calm

1222

Adjourn

Original

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SUMMIT HEADS ONLY MEETING

DATE AND TIME: Sunday, June 19, 1988 - 3:11 P. M.

PLACE: Main Meeting Room - Metro Toronto Convention Center, Toronto, Canada

PARTICIPANTS: President Reagan
 Prime Minister Brian Mulroney (Canada)
 President Francois Mitterrand (France)
 Prime Minister Margaret Thatcher (UK)
 Chancellor Helmut Kohl (FRG)
 Prime Minister Noboru Takeshita (Japan)
 Prime Minister Ciriaco De Mita (Italy)
 ECC President Jacques Delors (Commission of the European Communities)
 Allen Wallis - Notetaker

(3:08PM - Cameras leaving -- shouted questions at President)

(3:11PM) - Welcome. Facility is secure. Summit City. Media being well looked after.

Outline -- Today world economic outlook free wheeling. Political issues tonight.

Tomorrow review political document. Monday afternoon - plenary then informal session.

Representations from ASEAN, Cairns Group, labor, etc. Summaries will be distributed.

Canada -- Debt of LLDC's agriculture - free trade.

Has asked Thatcher to lead today.

Kohl - Include environment.

Mulroney - Yes, but on Monday - today it is economy.

Thatcher - Thanks for arrangements, welcome, etc. Look back: contrast from end of first cycle of Summits (1981) and now. The high inflation, unemployment, oil prices, inflationary locomotive theories. Short term. This cycle quite different.

Dealt with fund policies - liberalization, deregulations, privatizing, etc. Has led to excellent results; a time of unprecedented success. Good news for our people.

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 BY dr 3/16/2020

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Thatcher (continued) 3:26PM - These results have depended on Summits. Great achievements we got the fundamentals right - last

More to do - sound policies must continue.

World trade. Need to free up as we have domestic policies. Congratulations to Canada and U. S. on FTA. Thatcher lists damages of protection; harms 3rd World. Not only tariff. New MTN - give substance to commitments. Cover services, intellectual property rights at Midterm Review - investment. Don't withhold action on one issue until all agreed. Involve ministers. Can't abolish all barriers next 7 years but make progress.

(3:35PM) Agriculture - quotes Economist article: "EC has made very considerable strides." A very good start. Urges use of PSE's. Cites figures rising. Avoid competitive subsidies; Tokyo, Venice general terms. Agree here to major reductions. Get early agreement to tropical products. Get agreement of PSE. U. S. proposal very brave - but aim at steady reduction.

Debt. Countries must have IMF programs if we help them. Write off - "the money is gone." Reschedule trade credits through Paris Club. Agree here to turn words into deeds. Adam Smith was not a professor of economics but of moral philosophy.

Technological changes - implications for education.

Political changes - not in USSR but 3rd world.

(3:44PM) - Can't plan the world or national economy but can set framework. Don't plan by fine tuning but by framework.

(3:46PM) - (Concludes) - send out a message of progress and hope.

(3:47PM) Reagan - Thatcher has covered eloquently what his notes say. Over the past Summits we have seen much progress. New people should use first names - my name is Ron.

Agriculture. Overproducing. Don't look at just old standard topics. Will be a \$9 billion drop in U. S. agriculture expenditures in next budget. May be some scientific breakthroughs, e.g., use of corn for auto fuel. Can mix gas and new corn product in same tank. Can make plastics from grains that are biodegradable. By 2000 should be able to turn agriculture back to market. Farmers now farm the government. A member of the European Royal Family owns a million acres in U. S. - takes home millions of U. S. dollars.

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-3-

(3:54PM) Reagan continued - Vetoed trade bill. Now being revised "to a bill I can sign." Will continue to veto anything protectionist that comes my way. Situation in U. S. in 1981: inflation, depression. Then U.S. deregulated, lower tax rates, U. S. top rate equals UK lowest rate. Highest bracket now paying larger share of total tax revenues, people at bottom paying lower proportion. We have produced 16.8 million more jobs last 6 years. Now have 62.6% of potential labor force employed. More than half new jobs above average income. Burden of paperwork reduced by 600 million man hours per year. On the right track, got to stay on it. Don't look for an instant cure.

(4:00PM) - Mulroney - One person in the U. S. stood out against protection.

Kohl - The message from Toronto. Confidence, optimism, collaboration of the 7 is very important - that's why October 19 did not lead to 1929. Reasons for optimism but not complacency. Protectionism greatest danger. Immensely important contribution of the President; real appreciation in Europe. Debts of poorest important - must admit their products to our markets. Issue clear message of support for free trade. If GATT round not successful what we say here will not matter much. Must be greater market control over agriculture.

Don't want to see a Federal Republic without farmers. Average size of North American farm far greater than in Europe. EEC has taken some very important decisions. Kohl gives figures on production.

(4:09PM) - Must find reasonable solution at Mid-Term Review in Montreal.

Debt. Gives figurs on amounts forgiven. Should write off but debtors must be prepared to do something - catastrophic management. FRG trade surplus down, so growth rate down 4.2%. Have been following right route.

(4:15PM - Kohl ends.)

(4:17PM) - Mitterrand - Things much better than last year. "In the President of the United States of America we have someone who has stood up against protectionism and demogogery." Improvement in France since Mitterrand took office. Inflation down from over 14% to 2.5% inflation. Unemployment has gone down but at a slower rate. Unemployment began going up in 1974. Only \$100,000 additional in last 2 years. On the right track, but must remain steadfast. Reforming overcentralization most sweeping reform in 5 centuries.

(4:23PM) - Decentralized to regions and departments. Everything no longer settled by bureaucrats in Paris.

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- 4 -

(Mitterrand continued) - In 1985 recognized that we need order in currency markets - took 4 years to reach this welcome decision. Should be able to reach a better equilibrium - still far from it.

Survived October 19. Important to open our economy more widely. French tradition too dirigiste. Controls developed over years, not just in 1981. In 1981 rolling them back started under leadership of Delors. Complete price freedom now. Support liberalizing. A socialist by recognizing that nationalization leads to too much central control. Protectionism a historical tradition in France, but he (Mitterrand) has reduced it.

(4:31PM) - Single market in 1993 -- France has always favored (8 waiters arrive . . .) Agriculture -- don't want farmers to burn town halls -- they do that if they are not stopping lorries from UK/Italy. Wine war with Italy, but a beer war with FRG. FRG requires 16th Century ingredients in beer that aren't available in France. Japan does nothing to prevent our products entering Japan, but they don't enter. Protectionism is gaining ground. Third World - problem of development. We help them, have agreed that 0.7% of GDP should be provided. But aid has gone down. France trying harder than other countries. Decisions at earlier Summits have not all been carried out. Pays tribute to Canada, Germany, U. K., Italy, Japan. Don't coordinate well enough -- that's why he wrote Summit Heads with three proposals as options.

(4:44PM) - France will certainly write-off a third of those debts, whether others do or not. Case-by-case basis of Paris Club, IMF programs. Thatcher suggested to him recently some safeguards. Apply to all public debts, official ODA, and commercial loans underwritten by governments.

Not sure what countries would qualify - about 20. Gabon says, if we hadn't done so well we would have written off a third of our debt. Our proposal similar to those of U. S. U.S. might adopt one of the alternatives. Not suggesting that U. S. indifferent to the poverty of the Third World. Tropical products require certain special measures immediately. The poor countries have been helping us - \$35 million flowed from them to us last year. Welcomes what the President accomplished on nuclear weapons and pays tribute to Gorbachev.

(4:54PM) - Huge countries like Nigeria, Indonesia very poor and population growing. Fanaticism growing. Wars going back to daggers and knives - can't use nuclear weapons because then everyone would be killed. Soon there will be miniature nuclear weapons that people can carry in pockets. Beirut airport surrounded by individuals carrying launchers for heat-seeking rockets. Need to work out a method of reducing debt.

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- 5 -

(4:58PM) - Mulroney - Re Canada debt forgiveness. President of Gabon said, "if I had known, I would have worked harder to have a bigger debt with Canada."

Takehita - Compliments Thatcher statement. Summit launched the phrase: sustainable non-inflationary growth. Tangible results of coordination showing.

(5:01PM) - Japan will make sure domestic demand is taking root. Must open markets further. Language and non-tariff barriers. We should teach Japanese to our young people. Debt - Japan an aid-receiving country until 1955. Reconstructed economy. 1955-65 Japan got funds from World Bank. Then began aid to Asia in lieu of war reparations. 1975-85, further developed aid. Now, needs to emulate Western partners. Quality as well as quantity of aid. Have experience in Asia. Announced \$500 million Sub-Sahara and has asked for advice. Too much emphasis on Asia. Agriculture - Hope Summit will give impulse to new Round.

(5:08PM) De Mita - Every country participated in success of 1980's. Italy has restructured productive apparatus - has hundreds of thousands of small businesses. Problem of the public deficit. Have to correct before the single market. Agriculture and debt - U. S., Japan, and Europe three extraordinary economic powers. Agriculture surpluses likely to be duplicated with other products. The three must grow without enlarging the markets. Must control or will lead to serious disputes. Must plan political intervention for liberalization of trade. Some products are related to social policy. Looking at them from economic standpoint only would be mistake.

(5:18PM) - Must adopt a common policy on debt. Must allow debtors to earn. Environment -- important for economics.

(5:22PM) - Leave hotel at 7:30 - dinner 8:30 - back by 10:30.

(5:24PM) Delors: Summit should address a message to stock and exchange markets. Comparing first Summit cycle with second proved how useful Summits are. The improvement is how cooperate among countries.

Explain that October 19 not disaster because the economies are more flexible and we did not repeat the errors of 1929. Agriculture should become raw materials for industry as President Reagan suggested. Debt must be conditionality.

(5:30PM) - (Mike Wilson enters to be briefed for briefing press.)

EC single market will not be a fortress but will enlarge international trade. Welcomes Canada-U.S. Free Trade Agreement. Importance of newly industrializing economies - should share responsibilities, play major role.

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- 6 -

(5:33PM) - (Statement for Mike Wilson to read to Press:

Mulroney reads: Excellent free-wheeling, lead by Thatcher idea of initial session and has proved worth. Second cycle progress during it. October 19. No room for complacency. Develop coordination. Resist protectionism. Montreal. Canada-U.S. free trade and 1992. Agriculture - need for impetus leading to reform. Debt. Other topics: population, technology, environment.

Our message is one of confidence. All approved but Kohl asked to have optimism mentioned - also, importance of Montreal.

(5:40PM) - Mitterrand - now questioning all sorts of things, especially emphasis on agriculture.

Mulroney - Says Sherpas can take account of this.

Delors - Says continuing efforts - not just starting.

Mulroney - We have noted that.

Thatcher - We must renew and strengthen our efforts on agriculture.

Mulroney - It's a noncontroversial statement.

(Attali conferring with Mitterrand)

Thatcher - It's your summary.

Mulroney - It's my summary.

Mitterrand - A communique that is not a communique - a method I have some reservations about.

Concluded at 5:45PM

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Sunday

June 19

Afternoon
session

Begins at 3:11

Cameras leaving - haven't shouted questions at R²
311 start
welcome. Family
is secure. OP
Summit City, Media
being well looked after
outline - today world even outlook
free wheeling. Pol issues tonight

Tomorrow new pol document, reasons
PM writing is even worse than usual because of
(my writing + ~~angle~~) ASEAN, Cairns group, labor, etc
Representations will be distributed
Summaries will be distributed
Cairns - debt, LDCs - ag - free trade
Kohl - include environment, Mahoney, yesterday - today now
Th - chance for arrangements welcome, etc.
① Look back for contrast from end of burst cycle (80) and now
The high inflation, oil price. Defections locomotive
deal with future policies - liberalization
has a time of excellent results
success of unprecedented
over people

3:26

- 2) These results have depended on Summit's great achievements - we got the fundamental right - last but not more to do - sound policies must
- 3) continue Trade. Need to free up as we have domestic protection. Congress C+K on FTA
New MTA - give substance to commitments
I terms 3rd world.
- 4) World Trade. Need to free up as we have domestic protection. Congress C+K on FTA
New MTA - give substance to commitments
I terms 3rd world.
- 5) Agriculture - Economists attack - quotes
Cant abolish all barriers until all agreed
not my tariffs. New MTA - give substance to commitments
I terms 3rd world.

3:35

EC has made "very
considerable strides"
a very good start. Urges
use of PSE's & Citea figures

- ⑥ Avoid Venice general terms. Agree here to major
Tokyo Venice competitive substance. Agree here to major
reductions. Get early agreement on trap probe
Get agreement of PSE. U.S. proposal very brave -
but aim at steady reduction
Get. Countries must have IMF prop. if we help them
Write off "the money is gone". Resolved trade credits
How Paris Club. Agree here to turn work into debt
⑦ Technological change - implications for education
⑧ Political change - not on USSR but
3rd world

344

Can't plan the world
 national economies
 but can set framework
 don't plan by fine tuning but
 by framework - send out a message of
 346. progress + hope

347

Reagan. Th has covered eloquently what his notes say
 Summit has seen much progress - my name Ron
 New people should use just name - my name Ron
 Agriculture - overproducing. Don't look at just old standard
 topics. Will be a \$9 x 10' drop in US ag exp in next budget
 May be some scientific breakthroughs - eg use of
 corn for auto fuel. Can we make plastic from grain that are
 biodegradable. But 2000 should be able to turn ag
 back to markets. Farmers now farm the govt.
 A member of a European royal family runs
 million acres in US - takes home millions
 of US dollars.

354

Vetoed trade bill.
Now being revised "to
a bill I can sign".

Will continue to veto anything
protectionist that comes my way
Situation in US is - inflation, depression
deregulated, lowered tax rates, US top rate
equals UK lowest rate. Highest brackets now
paying larger share of total tax revenue, people at
bottom paying lower proportion. We have produced
6.8 million new jobs last 6 years. Now have 62.6%
of potential labor force employed. More than half new
jobs above average income by 6x10⁸ manhours
per year. Burden of paperwork reduced by 6x10⁸ manhours
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Murphy - one person in US stood out against protection

Kohl - The message from Toronto is Confidence, optimism, Collaboration of the 7 very important - that's why Oct 19 did not ~~lead~~ lead to 1929

Reason for optimism but not complacency
Protectionism greatest danger. Immensely important contribution of R: real appreciation in Europe
Depth of present important must admit their products

to our markets
Issue clear of message I support for free trade
If EATT around not successful what we say
There will not matter much
Must be greater market control over ag.
I don't want to see a Fed Rep without farmer.
Our sense of N Am farms far greater than in Europe. EEC has taken some very important decisions. Figures on production

409

Must find reasonable solution at MTR Montreal
Debt - give figs on amt forgiven
Should write off but debtors must be prepared to do something - catastrophic mismanagement
FRG trade surplus down, so growth rate down
Having been follows right route

415 - Kohl ends Mulroney Mettnerand

417 " In the Pres of the US & we have someone who has stood up against protectionism and demagoguery"
Improvement in France since M took off - down from 14% to 2.5%. Unempl has gone but at a slower rate
Unempl began going up in 74. Only +100,000 last 2 years. On the right track but must remain steadfast.
Reforming overcentralization was sweeping reforms in 5 centuries

Decentralize to regions & departments. No longer every thing settled by bureaucrats in Paris.

In 85 recognized that we need order in currency markets - took 4 years to reach a welcome decision. Should be able to reach a better equilibrium - still far from it.

Summit Oct 19. Important to open our economy more widely. French tradition is dirigiste. Controls developed over years, not just in 81

In 81 rolling them back started under leadership of Sedors. Complete price freedom now support liberalizing. A socialist by recognizes that nationalization leads to too much central control. Protectionism a traditional tradition in 7 but he (M) has reduced it

431

Single market in '93
France has always favored
8 workers have arrived in
formation

Agriculture - don't want farmers to
to know town halls - they do that if not
stopping losses from UK, Italy. Wine war with
Italy, but a beer war with FRG. FRG requires in beer

16th Century ingredients that aren't available in France
Japan does nothing to prevent our products
entering Japan, but they don't enter

Protectionism is gaining ground
Third World - prob of development. We help them have agreed that
0.7% of GDP should be provided. But aid has gone down
France trying harder than other countries. Decision at earlier
Summits have not all be carried out. Pays tribute to
Canada, Germany, UK, Italy, Japan
Don't coordinate well enough - that's why he
wrote with 3 proposals as options

4:44

France will certainly write off a third of those debts, whether others do or not case-by-case basis of Paris Club, IMF programs. Thatcher suggested to him recently some safeguards. Apply to all public debts, official ODA, and commercial loans underwritten by govts. Not sure what countries would qualify - about 20. Salou says, if we hadn't done so well you would have written of a third our debt. Our proposal is similar to those of U.S. ~~that~~ USA might adopt one of the alternatives. Not suggesting that you are indifferent to the poverty of the 3rd World. Tropical products require special measures immediately. The poor countries have been helping us - \$35 x 10⁶ flowered from them to us last year. Welcomes ^{what} ~~what~~ R² accomplished on nuclear weapons and pays tribute to Gorbachev

454

Huge countries like Nigeria Indonesia very poor and population very

Fanaticism growing. Wars going back to dagger & arrow - can't use nuclear weapons because they are too expensive. Soon there will be miniature nuclear weapons that people can carry in pockets. Beirut airport surrounded by individual carrying launchers for heat-seeking rockets

Need to work out a method of reducing debts. Pius S. Kabon said 70% of autonomy re Canada debt forgiveness. Pius S. Kabon said 70% of autonomy re Canada debt forgiveness. Pius S. Kabon said 70%

456
had known, I would have worked harder to have a bigger
Tatekita compliments Thatcher statement. Summit launch
phrase Sust. Noninfl Growth
Tangible results of coordination showing

Japan will make sure domestic demand is taking root
Must open mkt further. Language & non-tariff barrier

We should teach Japanese to our young people

Debt of an aid receiving country until '55
Reconstructed econ.

55-65 funds from World Bank.

Then began aid in E Asia in lieu of war reparations

75-85 further developed aid.

Now needs to emulate Western partners
Quality as well as quantity of aid

Have experience in Asia. Announced \$500,000,000

A Sub Sahara of Ran asked for advice.

Too much emphasis on local

Agree. Top Summit will give important impulse to new round

506

De Mita

Every country participated in success of 80's

Italy has restructured productive apparatus

has hundreds of thousands of small business

Problem of the public deficit. Have to correct

before the single market

Ag & Dept. U.S., J. & E 3 extraordinary econ powers

Ag surplus likely to be duplicated with other products

The 3 must grow without enlarging the markets.

Must control or will lead to serious disputes

must ~~for~~ plan political intervention for liberalization of

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looking at them from econ standpoint only

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Must adopt a common policy
to debt. Must allow debtors
to earn. Environment - important for
economics.

5:22

Leave hotel at 7:30 dinner 8:30
Back by 10:30

5:24 De Lou

Summit should address a message to stock market and
exchange markets Comparing first 3 years with second period
how useful Semmits are. The improvements are due to
cooperation among countries.
Explain that 1990s not disaster because of economies are
more flexible + we did not repeat errors of '29
Agriculture should become raw materials for industry. as R² suggested

[5:30

Debt - must have conditionality
Mike Wilson - intent to be briefed for briefing press
EC single mkt will not be a fortress but will enlarge
importance of NIE's - should share responsibility
play major role. Welcomes C-US FTA

533

* Statement for MW to read to press.

The money needs:

Excellent - free wheeling. Led by Th
2nd cycle - progress during 1st

Oct 19 -
No room for complacency
Develop coord
Trade - unit protect. - Montreal
Can US FTA + 192

Ag - need for impetus leading to reform

Ag - need for impetus leading to reform

Our management one of confidence
All approved - but that K asked to have
Optimism mentioned also important

Kohl

540

Muller and now questioning all sorts of things - esp emphasis on ag.

Mulrony says Sherpas can take account of this -

Delors - say continuing efforts - not just sticking

M - we have noted that

Th we must review & strengthen our efforts on ag

M its a noncontroversial statement

Attali conferring with Muller and

Th. its your summary
Mul " my "

mett - a communication that is not a com.
a method I have some reservations about

Toronto Summit

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**Item: Mini Floppy Disk: 1988 Economic Summit,
Toronto**
