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Received: 40  
1985 DEC 30 PM 5: 25

UNDER SECRETARY OF STATE  
FOR ECONOMIC AFFAIRS  
WASHINGTON

December 27, 1985

CONFIDENTIAL

MEMORANDUM FOR MR. DONALD T. REGAN  
AND VADM JOHN M. POINDEXTER  
THE WHITE HOUSE

SUBJECT: U.S. Economic Objectives for the 1986 Tokyo Economic Summit

In consultation with the other members of the Sherpa team, I have developed the attached paper outlining key U.S. economic objectives for the Tokyo Summit. As we believe it likely that we will be questioned closely on these issues during the next Summit preparatory meeting at the end of January, I would like to request a brief meeting with the President sometime in January to receive instructions.

The Secretary will be forwarding his recommendations on political objectives as we draw closer to the Summit itself.

*Allen Wallis*  
Allen Wallis

Attachment: As stated.

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Authority: State Waiver  
BY dh DATE 2/6/2020

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DECL: OADR

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U.S. Economic Objectives for the Tokyo Summit

The Setting

The Economic Summits in which President Reagan has participated, from Ottawa through Bonn, have produced a growing consensus on the central role of individual choice, operating within the rule of law, in producing economic prosperity. This has been reflected in a remarkably detailed common understanding of domestic economic policies which the Summit countries must pursue to maximize the chances for sustainable growth, both in their own economies and in the rest of the world.

As enumerated in last year's Bonn Economic Declaration, these policies are:

- to consolidate and enhance the progress made in bringing down inflation;
- to follow prudent, and where necessary strengthened, monetary and fiscal policies (with a view toward stable prices, lower interest rates, and more productive investment), focusing on firm control of public spending;
- to remove obstacles to growth and encourage initiative and enterprise, while maintaining an appropriate "safety net" for those in need;
- to promote greater adaptability and responsiveness in all markets, particularly the labor market;
- to encourage training to improve occupational skills, particularly for the young; and
- to exploit the opportunities for prosperity and the creation of permanent jobs provided by economic change and technological progress.

Economic developments in the Summit countries during 1985, and prospects for 1986, are encouraging in many respects. Economic activity has strengthened in all Summit countries since the beginning of 1985 (with the possible exception of Japan). Disparities in real growth rates have narrowed, and the contribution of domestic demand components to real growth has improved outside the United States. Low inflation rates achieved by most participants should be maintained, with further convergence toward the best average performance since the mid-1960's.

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However, a number of serious imbalances cloud the outlook -- including structural impediments to employment growth and innovation (especially in Europe), unprecedentedly wide (and widening) divergences in current account positions, and failure in the United States and some other countries to bring public expenditure under control. The measures needed to deal with each of these problems are increasingly being recognized and acted upon -- a process given impetus by U.S.-inspired programs of research and policy discussion in international organizations such as the IMF and the OECD. The September 22, 1985 announcement by the G-5 Finance Ministers and Central Bank Governors represented a significant advance in the efforts of the major industrial countries to consult and collaborate on economic policies. It recognized the progress already achieved in pursuing convergence of economic policies and performance, provided concrete policy commitments to improve economic performance further, and noted the desirability of some additional appreciation of non-dollar currencies, given the present and prospective changes in economic fundamentals.

Past Economic Summits have also reflected considerable agreement on how best to assist the developing countries in coping with the international debt problems and promoting sustainable economic growth. The "case-by-case" debt strategy endorsed at Williamsburg has succeeded in dealing with immediate financial strains and initiating the adjustment efforts needed to provide a basis for sustained growth. The experiences of developing countries which have avoided external debt problems, as well as those of countries which have initiated adjustment, have underscored the central role of sound domestic policies in the economic development process -- macroeconomic policy discipline, flexible and market-oriented microeconomic policies, and an openness to foreign trade and investment.

Given a moderately favorable international environment, it would appear possible for the LDC's as a group to make significant further progress in structural adjustment and to achieve more rapid economic growth. To facilitate this, the U.S. has proposed a "Program for Sustained Growth" to strengthen the international debt strategy through adoption of growth-oriented macroeconomic and structural policy measures in troubled debtor countries. We are seeking the support of our key allies, and of the broader international community, for a program of comprehensive economic reform in the principal troubled debtor nations, supported by an expansion of

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-3-

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Protectionist pressures pose a growing threat, both to the LDC adjustment process and to continued growth in the industrial world. Dollar depreciation, coupled with changes in relative cyclical positions, will reduce the U. S. trade deficit in the coming months and thereby help to moderate such pressures in the United States. In the interim it will be essential to make continued progress in dismantling unfair foreign trade practices and liberalizing trade in order to hold protectionism at bay. In addition, trade liberalization would greatly benefit the U.S. and the global economy. The most comprehensive and constructive approach would be timely initiation of a new round of multilateral trade negotiations, but the United States and like-minded countries have faced strong resistance at each step along the way to a new round in the GATT.

U.S. Economic Objectives and Strategy

1. Organize Summit economic discussions (and preparatory process) around the theme of "Economic Freedom: the Key to Prosperity." The focus in all areas of economic discussion should be on ways to unleash the energy and creativity of the individual, particularly the removal of governmentally-imposed barriers to structural adjustment and innovation.

2. Reaffirm the soundness of previously-agreed strategies for domestic economic policy in Summit countries, and obtain commitments to redoubled efforts to remove unnecessary government regulation and to reduce structural rigidities in labor and capital markets.

- Manage the structural adjustment exercise in the OECD so as to lead to a Ministerial decision (which the Summit would endorse) for continuing research and policy discussion of factors influencing growth, job creation and adjustment.
- The Summit should note progress in following-up the G-5 announcement, and subsequent improvements in

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-4-

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- Depending on the outcome of the April 9-10 Interim Committee discussion, of the G-10 and G-24 reports on the functioning of the international monetary system, the Summit could either note or endorse the Committee's conclusions.

3. During the run-up to the Summit, ensure that visible progress is being made on all fronts to manage trade tensions and strengthen the international trading system. Take full advantage of opportunities to open markets and eliminate unfair trading practices abroad.

- Summit leaders would endorse September, 1986 GATT Ministerial which will launch the new trade round, pledge their full support and best efforts toward its successful conclusion, and reaffirm the benefits of open markets. Depending on the state of preparations, we may want to have the Summit urge a successful conclusion to the Preparatory Committee's work, in line with the U.S. goal of including services in the new round.

- During the preparatory process, note Japanese progress on financial market liberalization, MOSS talks, and other related issues, paying particular attention to any Spring 1986 initiatives to restructure the Japanese economy; while pressing firmly for continued efforts in Japan (and elsewhere).

4. Expand the dialogue with key LDC's on the development process, to enhance understanding of the central role of market-oriented domestic policies operating in a framework of open international trade and investment. Build on these countries' own growing awareness that the private sector is the source of economic growth, not governments.

- Seek Summit endorsement of U.S. "Program for Sustained Growth" to promote structural adjustment and growth in troubled developing countries through adoption of comprehensive economic programs, supported by an increase in policy-based lending by the IBRD, and a prudent increase in commercial bank lending to countries willing to adjust.

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-5-

- Induce other Summit countries, as the largest members of these international institutions, to use their voices and votes to help build momentum for modifications in the lending policies of the IMF and IBRD.
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- The Summit could also endorse, as appropriate, conclusions of the April Interim Committee meeting on the use of IMF Trust Fund reflows to promote comprehensive reforms in the poorest countries, supplemented by World Bank and bilateral financing.

5. The Summit would also note progress since Bonn in other areas of special concern which will not require detailed review:

- Africa famine relief.
- Cooperation on technology, environment.
- Manned space station.

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ds 2/20/2020

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PAGES 6

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RELEASER [Signature]

FROM/LOCATION

1. Susan Slye/White House

TO/LOCATION/TIME OF RECEIPT

1. David Chew/Palm Springs TOR:

- 2. \_\_\_\_\_
- 3. \_\_\_\_\_
- 4. \_\_\_\_\_
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INFORMATION ADDRES/LOCATION/TIME OF RECEIPT

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_

SPECIAL INSTRUCTIONS/REMARKS:

David,  
Tom Dawson would like you to give this  
to Don Regan. This was just received  
by Tom at 5:21 pm 12/30.  
Susan

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1985 DEC 30 PM 5:21

UNDER SECRETARY OF STATE  
FOR ECONOMIC AFFAIRS  
WASHINGTON

DECLASSIFIED

December 27, 1985

Authority State Waiver  
BY dr NARA DATE 2/6/2020

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CONFIDENTIALU.S. Economic Objectives for the Tokyo SummitThe Setting

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UNDER SECRETARY OF STATE  
FOR ECONOMIC AFFAIRS  
WASHINGTON

DECLASSIFIED

Authority

*State Waiver*  
BY *dlw* NARA/DATE *2/16/2020*

December 27, 1985



CONFIDENTIAL

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BY dm NARA DATE 2/6/2000



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*NOTE*

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Drafted: E:SBrown (#364)  
12/23/85, 632-8854

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NSC:SDanzansky  
USTR:GFeketekuty  
EB:DMcMinn  
E:AWallis

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NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20506

NSC

F0006-10

February 4, 1986

F0006-12

ACTION

MEMORANDUM FOR JOHN M. POINDEXTER  
DONALD R. FORTIER

FROM: STEPHEN I. DANZANSKY

SUBJECT: Tokyo Economic Summit: Request for Meeting

I would like to request a meeting with you both sometime before Friday of this week in order to review preparations for the Tokyo Economic Summit.

The preparation process is moving into high gear. On Friday there will be a third meeting of the Summit White House Working Group (which Don should attend) to review progress to date and the outcome of the Hawaii Sherpa meeting (1 p.m., Situation Room). Following this, a Summit White House Group meeting will be scheduled (to be chaired by Don Regan and John), for a final review of the Administration's Summit strategy.

It is essential that we meet to fully coordinate NSC participation in the Summit process, and to prepare for the upcoming White House planning meetings. All indications are that the NSC will take a leading role in this year's Summit. Included in our meeting would be Rod McDaniel, Johnathan Miller, Gaston Sigur and Alix Platt.

Note: I also request five minutes at the conclusion of the meeting with both of you and Rod McDaniel to discuss the staffing situation in the economics directorate, which must be resolved.

RECOMMENDATION:

That you both agree to meet with me and the above listed people some time before Friday to discuss preparations for the Tokyo Economic Summit.

Approve \_\_\_\_\_

Disapprove \_\_\_\_\_

That you both agree to meet with me and Rod McDaniel for five minutes at the conclusion of the meeting to discuss the staffing situation in the economics directorate.

Approve \_\_\_\_\_

Disapprove \_\_\_\_\_

NSC#8600931

Please move quickly

→  
Bob

National Security Council  
The White House

*Handwritten:* 126  
*Handwritten:* RBM

*Handwritten:* DR F334 P1:41

System # \_\_\_\_\_  
Package # 0931  
DOCLOG RB A/O \_\_\_\_\_

	SEQUENCE TO	HAS SEEN	DISPOSITION
Bob Pearson	<u>1</u>	<u>P</u>	<u>A</u>
Rodney McDaniel	<u>2</u>	<u>M<sup>2-3</sup></u>	
Don Fortier	<u>3</u>		<u>A</u>
Paul Thompson	<u>4</u>	<u>✓</u>	
Florence Gantt	<u>5</u>	<u>φ</u>	
John Poindexter	<u>6</u>	<u>φ</u>	
Rodney McDaniel	<u>8</u>		
NSC Secretariat			
Situation Room		<u>✓</u>	
<u>KAY</u>	<u>7</u>		<u>A</u>

I = Information    A = Action    R = Retain    D = Dispatch    N = No further Action

cc: VP Regan Buchanan Other JSM, RBM, WRP

COMMENTS

Should be seen by: \_\_\_\_\_  
(Date/Time)



RECEIVED 04 FEB 86 14

TO POINDEXTER

FROM DANZANSKY

DOCDATE 04 FEB 86

KEYWORDS: TOKYO SUMMIT

AJP

SUBJECT: REQUEST FOR MTG TO REVIEW PREPARATIONS

ACTION: FOR DECISION

DUE: 07 FEB 86 STATUS X FILES WH

FOR ACTION

FOR CONCURRENCE

FOR INFO

POINDEXTER

GANTT

PEARSON

COMMENTS

REF# LOG NSCIFID ( JM )

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO
	C 24	POINDEXTER APPROVED		12

DISPATCH \_\_\_\_\_ W/ATTCH FILE \_\_\_\_\_ (C)

THE WHITE HOUSE  
WASHINGTON

356134  
FO006-10

February 28, 1986

SCHEDULE PROPOSAL

TO: FREDERICK J. RYAN, Director  
Presidential Appointments and Scheduling

FROM: RODNEY B. MCDANIEL *RB*

REQUEST: Two Meetings of Summit White House Group with the President to review preparations for the Tokyo Economic Summit (May 3-6).

PURPOSE: To brief the President on the preparations overseen by the Summit White House Group for the Tokyo Economic Summit and his meeting with ASEAN leaders, and to review economic issues to be discussed at the Summit.

BACKGROUND: The Summit White House Group, chaired by Regan and Poindexter, was established by NSDD-198 to coordinate preparation for the Tokyo Economic Summit. A Summit White House Working Group has met on three occasions and reported its progress to Regan and Poindexter. A first meeting with the President (April 7) would provide an opportunity to report on general preparations for the Summit. The second meeting (April 24) would be devoted to a review of the economic issues to be raised in Tokyo.

PREVIOUS PARTICIPATION: The President met with members of the Summit White House Group prior to the meeting of the President's Personal Representatives in Hawaii. The April 24 meeting would be identical in format to that held on economic issues preceding the 1985 Bonn Summit.

DATE & TIME: April 7  
DURATION: 30 minutes  
April 24  
DURATION: 90 minutes

LOCATION: Cabinet Room

PARTICIPANTS: List attached (Tab A).

OUTLINE OF EVENTS: Regan and Poindexter introduction of each meeting. Presentation of economic issues at second meeting followed by general discussion.

#17 Approved

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2 meetings

April 7 - 11:00

April 24 - 11:00

Shari/Helen  
AM

*BB*

*356134*

1286

THE WHITE HOUSE  
WASHINGTON

*FD006-10*

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*FD006-12*

February 28, 1986

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DURATION: 90 minutes

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OUTLINE OF EVENTS: Regan and Poindexter introduction of each meeting. Presentation of economic issues at second meeting followed by general discussion.

*NSD #8601286*

NATIONAL SECURITY COUNCIL  
 WASHINGTON, D.C. 20506

ACTION

February 21, 1986

MEMORANDUM FOR RODNEY B. MCDANIEL

FROM: STEPHEN I. DANZANSKY

SUBJECT: Tokyo Summit: Schedule Proposals for  
 White House Summit Group Meetings and  
 Briefing Time with President

Intensive preparation and briefing of the President for the Tokyo Economic Summit must begin in the three weeks preceding his April 26 departure.

Attached are two Schedule Proposals which, added to the NSC meeting proposal that has already been submitted for April 22, would provide the necessary briefing time for the President.

The proposed briefing meetings would be based on the following concept:

-- A short meeting in early April of the Summit White House Group (the oversight group established by the Tokyo NSDD) to alert the President to the upcoming event and associated issues (April 4).

-- Two one hour meetings with outside experts in mid-April similar to the sessions held before the Geneva Summit to prepare the President for the "unstructured time" on the Tokyo agenda (April 7 and 14).

-- An NSC meeting to address political and bilateral issues related to the Far Eastern trip (Schedule Proposal already submitted for April 22).

-- A final Summit White House Group meeting to discuss the economic issues to be raised at Tokyo (April 24).

Note: The final two meetings are identical to the briefing meetings held before Bonn last year, with the only difference that this year the bilateral and political session will be held as an NSC meeting.

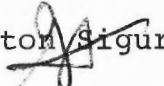
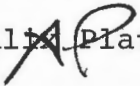
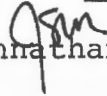
The two sessions on April 7 and 14 would be to prepare the President for the discussions on the Japanese theme "The World Situation: Looking Towards the 21st Century, Now Less

Than 15 Years Away," during the "unstructured time" on the Tokyo agenda. These meetings would entail presentations by panels of political and economic experts to discuss the major trends facing the United States in the coming years.

RECOMMENDATION:

That you sign the Schedule Proposals at Tabs I and II.

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_

Gaston , ~~Alia~~  Platt and Johnathan  Miller concur.

Attachment

- Tab I            Schedule Proposal for Summit White House Group Meetings
- Tab A            List of Participants
- Tab II           Schedule Proposal for "Unstructured Time" Briefings

REMARKS REQUIRED: None

MEDIA COVERAGE: White House photo

RECOMMENDED BY: John M. Poindexter

OPPOSED BY: None

Attachment  
Tab A List of Participants

## Participants

The President

Secretary Shultz

Secretary Baker

Donald T. Regan

Admiral John Poindexter

W. Dennis Thomas

Pat Buchanan

Larry Speakes

John C. Whitehead

Richard Darman

W. Allen Wallis

Donald R. Fortier

David Chew

William Henkel

Frederick J. Ryan, Jr.

Stephen I. Danzansky

Gaston Sigur

Johnathan Miller

David Mulford

Robert Pearson

Alexander H. Platt



THE WHITE HOUSE  
WASHINGTON

Fred --

Re Tokyo Summit meetings.

I have talked with NSC folks.

Here is what is being requested:

April 7 - 30 minute meeting (tentatively  
on schedule) for Summit  
working group

ym

60 min. meeting for  
"unstructured discussion -  
see attached SP which  
apparently has been floating  
around but never raised

1 April 14 "unstructured" session

1 April 22 NSC meeting on Tokyo

ym April 24 Summit group meeting (Ten-  
tatively scheduled)

Please let me know your guidance on  
these.

Jean

COPY REQUESTED BY WHORM37

Vranich, Janice  
Mail-45 456-2266

OEOB Room 7-

## THE WHITE HOUSE

WASHINGTON

SCHEDULE PROPOSAL

TO: FREDERICK J. RYAN, Director  
Presidential Appointments and Scheduling

FROM: RODNEY B. MCDANIEL *for*

REQUEST: Briefing Meetings for Tokyo Economic Summit

PURPOSE: To prepare the President for the "unstructured time" program at the Tokyo Economic Summit (May 3-6).

BACKGROUND: The agenda of this year's Tokyo Summit will include a period of "unstructured time" devoted to a discussion of the Japanese Summit theme "Looking Towards the Twenty-First Century." The other Summit leaders will be certain to look to the President for direction in these discussions. In order to prepare the President for a discussion of the political, economic and historical trends confronting the seven Summit nations in the coming years, the President should meet with various academic and political experts to discuss world developments into the next century and beyond.

PREVIOUS PARTICIPATION: These meetings would be similar in format to the outside experts meetings held before the Geneva Summit.

DATE & TIME: Two sessions (possibly working lunches):  
April 7 and 14.  
DURATION: 60 minutes

LOCATION: The Roosevelt Room

PARTICIPANTS: To be provided.

OUTLINE OF EVENTS: These two sessions would involve a presentation by experts on political and economic issues and would provide an opportunity for the President to ask questions.

REMARKS REQUIRED: None

MEDIA COVERAGE: White House photo

PROPOSED BY: John M. Poindexter

OPPOSED BY: None

107

National Security Council  
The White House

System # \_\_\_\_\_

Package # 1286

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	SEQUENCE TO	HAS SEEN	DISPOSITION
Bob Pearson	<u>1</u>	<u>P</u>	<u>✓</u>
Rodney McDaniel	<u>2</u>	<u>by x-25</u>	
Don Fortier	<u>3</u>	<u>DF</u>	<u>oh?</u>
Paul Thompson	_____	_____	_____
Florence Gantt	_____	_____	_____
John Poindexter	_____	_____	_____
Rodney McDaniel	<u>4</u>	<u>P</u>	<u>A</u>
NSC Secretariat	<u>5</u>	<u>ps</u>	<u>D</u>
Situation Room	_____	_____	_____

I = Information	<u>A = Action</u>	R = Retain	D = Dispatch	N = No further Action
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cc: VP Regan Buchanan Other RAM, WRP

COMMENTS

Should be seen by: \_\_\_\_\_  
(Date/Time)

NSC/S PROFILE

UNCLASSIFIED

ID 8601286

RECEIVED 24 FEB 86 10

TO MCDANIEL

FROM DANZANSKY

DOCDATE 21 FEB 86

KEYWORDS: TOKYO SUMMIT

AP

SUBJECT: TOKYO SUMMIT / SHEDULE PROPOSALS FOR WH SUMMIT GRP MTGS & BRIEFING  
TIME W/ PRES

ACTION: FOR SIGNATURE

DUE: 25 FEB 86 STATUS X FILES WH

FOR ACTION

FOR CONCURRENCE

FOR INFO

MCDANIEL

COMMENTS

REF#

LOG

NSCIFID

( LF *DR* )

ACTION OFFICER (S)

ASSIGNED

ACTION REQUIRED

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*C 2/28 Pearson Sgd SP*

*BP, DZ, SU, Platt, m)*

DISPATCH

*✓ led pr 2/25*

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FILE

*w/r/c*

TO: DIRECTOR, FBI (100-442100)  
FROM: SAC, NEW YORK (100-100000)  
SUBJECT: [Illegible]

KEYWORDS: TOKYO BUREAU

SUBJECT: TOKYO BUREAU / [Illegible] FOR AN OUNCE OF [Illegible] & [Illegible]  
TIME W/ [Illegible]

ACTION: FOR SIGNATURE [Illegible]

FOR ACTION [Illegible]

Name	Date
Lonnie Ford	4/3/87

REPLY [Illegible]

ACTION OFFICER (B) ASSIGNED [Illegible] C/S/87  
ACTION REQUIRED [Illegible]

DATE: 4/3/87

RB

356331

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THE WHITE HOUSE  
WASHINGTON

NOTED BY DTR

March 26, 1986

WVS

MEMORANDUM FOR DONALD T. REGAN  
DENNIS THOMAS  
PATRICK J. BUCHANAN

FROM: ANTHONY R. DOLAN *ARD*

Two thoughts on the economic summit.

1. The President has emphasized the importance of the tie between economic and political freedom and its importance to growth and prosperity. Might this be a good time to codify this Reagan legacy with a "Tokyo Declaration of the Democratic Nations On Economic Freedom and The Developing World"? I think even Mitterand would like an opportunity to suggest to developing countries that State intervention is not the best way to run a railroad or anything else. A draft statement incorporating the President's past words on this as well as some things the former Secretary of Treasury said might be in order. Would love to help with this.
  
2. America's fascination with Japanese business and culture and the Japanese experience with MacArthur would make a wonderful theme for a presidential speech. A direct talk to the Japanese people about their importance in the modern world and the alliance of our two nations.