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**United States
Information
Agency**

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July 10, 1987

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Dear Mr. Carlucci:

I am writing to thank you for your letter of June 26, 1987, in which you expressed appreciation on behalf of the President for my part in the preparations for the President's European Trip and 1987 Venice Economic Summit. Your letter is greatly appreciated and very meaningful as it is the first letter of acknowledgment received from the White House even though I have served on the Public Diplomacy Teams for the 1985 Bonn Economic Summit and European trip, the 1985 Reagan/Gorbachev Geneva Meeting, and the 1986 Tokyo Economic Summit and Asian trip. It is a privilege and a pleasure to serve the President.

Thank you again. It was very thoughtful.

Sincerely,

Kathrine Papathanassiou

Kathrine Papathanassiou
German American Contacts

The Honorable
Frank C. Carlucci
Assistant to the President
for National Security Affairs
The White House
Washington, D.C. 20500

NSC # 8705400

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PERSONAL MEMORANDUM

TO: The Honorable Frank Carlucci

DATE: May 22, 1987

FROM: Senator Frank Murkowski

SUBJECT: VENICE SUMMIT AGENDA ITEMS

I strongly urge that the following be on the Venice agenda:

1. Trans-Pacific Fiber Optics Cable:

Progress is being made for U.S./British consortium to participate in a new trans-Pacific fiber optics cable, in competition with the Japanese telecommunications monopoly KDD. The President and Prime Minister Thatcher should keep the pressure on at the summit.

2. Kansai International Airport and Public Works in Japan:

Japanese bureaucracy may not be hearing Prime Minister Nakasone's message to open Kansai to U.S. participation. Attached article shows the problem, albeit Japanese Embassy later clarified.

3. Coal Exports to Japan:

Prime Minister Nakasone resisted purchasing U.S. coal because of cost. As attached letter to the Prime Minister shows, Alaska's sub-bituminous coal (world's largest deposit at tidewater) is highly competitive at \$48.18 per ton.

4. Natural Gas Exports to Japan:

Given the 1983 energy accord, export of Alaska LNG is an unfinished agenda item from previous summits/meetings. Export of 14 million tons of Alaska LNG equates to 340,000 barrels of oil or Japan, with annual trade deficit offset of \$3 billion. A presidential finding (pending now with Energy) to permit LNG export is urgently needed before the summit.

We must not overlook leveraging these issues at the summit, in view of our commitment to keep Japan's oil lifeline open in the Persian Gulf (by reflagging Kuwaiti tankers). Japan is the principal beneficiary with little or not contribution in return.

Venice summit is the best opportunity we've ever had to make progress on these items.

Identical memoranda to:

Senator Baker
Secretary Baker
Secretary Hodel
Secretary Herrington
Secretary Baldrige
Ambassador Yeutter

FRANK H. MURKOWSKI
ALASKA

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May 5, 1987

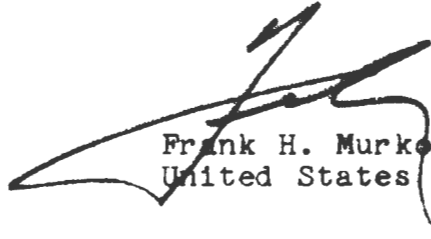
The Honorable Mike Mansfield
U.S. Ambassador to Japan
A.P.O.
San Francisco, CA 96503

Dear Ambassador Mansfield:

It was a pleasure to see you again during your recent visit to Washington.

As we discussed during the dinner at the Japanese Embassy, I am enclosing a copy of the letter to Prime Minister Nakasone regarding Alaska coal. I would greatly appreciate any assistance you may be able to provide on this matter.

With warmest regards,



Frank H. Murkowski
United States Senator

Enclosures

*Mike
the point is
Nakasone is of the opinion
that U.S. coal is 62.00
but Alaska coal is 48.15
can you help us convince
him -
Thank
Mike for your help!
JH*

FRANK H. MURKOWSKI
ALASKA

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May 1, 1987

His Excellency Yasuhiro Nakasone
Prime Minister of Japan

Dear Prime Minister Nakasone:

I valued the opportunity to discuss a variety of issues with you yesterday, when you visited the United States Senate.

During our discussion of sales of United States coal to Japan, you noted that Japan now purchases coal for approximately \$45./metric ton, and that U.S. coal priced at \$62/metric ton is not competitive. You further indicated that Japan may be willing to purchase U.S. coal if the price differential was closer to \$8 to \$10 per metric ton, rather than \$15 per metric ton.

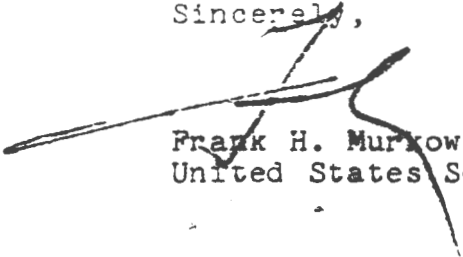
Since our meeting, I have contacted Diamond Alaska Coal Company, which has provided information indicating that coal from Alaska is competitive with Australian and other coal sources.

According to the attached page from The Japan Echo, the average delivered price of Australian steam coal to Japan in March 1987 is \$45.07/metric ton using yesterday's exchange rate of 140 yen = 1 U.S. \$. The study price for Diamond Alaska Coal Company's Chuitna steam coal is \$48.18/metric ton, adjusted for Btu value, delivered to Japan. I note that there has not been a negotiated price for Diamond Alaska's coal yet. Thus, there is small price differential between this U.S. coal and its competitors in the Japanese market. The price differential is even smaller than indicated here since (1) Alaska's closer shipping distance does not yield a price advantage in today's depressed shipping market, but will in the future, and (2) there is an operating advantage in burning Alaskan, very low sulfur coal in Japanese power plants which will result in lower electricity costs to Japanese consumers.

I bring this information to your attention to indicate that Alaska is a significant source for competitively priced coal for your country. I further note that in today's market, the price of Alaska coal for Japan is well within the cost differential we discussed yesterday.

With warm personal regards,

Sincerely,

A large, stylized handwritten signature in black ink, appearing to be 'F. Murkowski', is written over the typed name.

Frank H. Murkowski
United States Senator

Enclosure

Import Arrivals In March, 1987 By Supply Sources,
Of Coking Coal, Steam Coal And Anthracite

(Unit price computed by the Japan Echo on the basis of exchange rate of $\$1.00 = ¥153.47$) M/T

Supply Source	Volume	Gf Value (¥1,000)	Unit Price	Volume (Jan-Mar)
1. Coking coal, heavy (containing not more than 8% of ash calculated on the dry weight)				
China	-	-	-	97,133 tons
Indonesia	3,499 tons	74,349	US\$45.34	3,499 "
Canada	80,191 "	681,909	\$33.78	116,117 "
USA	148,373 "	1,663,044	\$73.03	932,095 "
Australia	533,825 "	4,988,290	\$55.00	1,133,456 "
New Zealand	21,689 "	159,085	\$47.49	21,689 "
Total	787,537 tons	7,095,233		2,263,954 tons
2. Coking coal, H.E.S. (containing not more than 8% of ash calculated on the dry weight)				
China	73,090 tons	909,330	\$45.42	152,359 tons
Philippines	1	557	-	1
Indonesia	36,783 "	793,862	\$44.97	79,257 "
USSR	-	-	-	72,119 "
USA	194,117 "	1,448,903	\$51.74	415,906 "
South Africa	174,280 "	1,334,183	\$49.88	750,972 "
Australia	774,222 "	5,705,829	\$49.02	2,123,137 "
New Zealand	14,210 "	103,573	\$47.49	14,210 "
W. Samoa	700 "	5,229	\$49.67	700 "
Total	1,227,403 tons	9,361,246		3,605,241 tons
3. Coking coal, heavy (containing more than 8% of ash calculated on the dry weight)				
China	98,117 tons	410,885	\$46.07	185,516 tons
USSR	380,899 "	3,038,834	\$31.99	976,690 "
Canada	1,986,368 "	16,369,514	\$68.06	3,949,240 "
USA	72,225 "	687,258	\$52.00	225,960 "
Australia	894,714 "	7,267,370	\$53.40	2,413,330 "
Total	2,932,323 tons	27,873,901		7,348,935 tons
4. Coking coal, H.E.S. (containing more than 8% of ash calculated on the dry weight)				
China	45,034 tons	333,864	\$48.19	61,412 tons
USSR	-	-	-	143,344 "
Canada	173,113 "	1,440,930	\$54.24	431,945 "
USA	221,068 "	2,028,024	\$59.78	416,156 "
South Africa	113,198 "	677,881	\$39.03	223,708 "
Australia	633,411 "	4,918,770	\$46.48	2,103,343 "
Total	1,185,724 tons	8,999,369		3,381,708 tons
Steam Coal				
China	173,942 tons	1,174,722	\$44.01	957,001 tons
Indonesia	9,676 "	53,265	\$35.87	9,676 "
USSR	27,637 "	198,919	\$37.04	84,343 "
Canada	83,921 "	620,109	\$48.15	293,938 "
Colombia	15 "	925	-	35 "
South Africa	177,968 "	1,072,179	\$32.26	484,347 "
Australia	1,946,972 "	9,811,179	\$41.33	3,825,554 "
Total	2,020,151 tons	12,890,867		4,964,894 tons
Anthracite				
South Korea	1,000 tons	10,527	\$59.59	1,000 tons
North Korea	-	-	-	19,927 "
China	15,357 "	122,107	\$31.11	45,289 "
Vietnam	1,653 "	34,019	\$133.29	15,438 "
USSR	4,500 "	36,309	\$52.97	19,978 "
Canada	20,248 "	103,032	\$33.16	20,248 "
South Africa	97,423 "	492,212	\$22.92	273,425 "
Australia	73,106 "	499,654	\$40.95	145,478 "
Total	212,577 tons	1,227,810		542,754 tons

\$45.07/metric ton
using today's ex-
change rate of
¥140.70 per US\$

Note: H.E.S. not elsewhere specified or included. Source: Finance Ministry

THE JAPAN ECONOMIC JOURNAL

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Kansai shunning foreign firms

Phase-Two airport contracts to be handed to Japanese

By Nobuo Takahashi

JAPAN ECONOMIC JOURNAL STAFF WRITER

As the Japan-U.S. controversy over the participation of foreign firms in the construction of the ¥1 trillion New Kansai International Airport near Osaka continues to simmer, Yoshio Takeuchi, president of the company overseeing the airport construction, again stressed that there are certain areas where Kansai International Airport Co. (KIAC) cannot yield to U.S. demands.

It will be difficult, Takeuchi said in an interview with *The*

Japan Economic Journal, for foreign firms to join Phase-Two of the airport project (involving construction of the terminal building and runways), mainly because the work requires hiring and management of Japanese construction workers. "It would be more realistic for interested foreign contractors to join hands with their Japanese counterparts if they wanted to become prime contractors in the Phase-Two work," Takeuchi said.

American officials and industry people criticize KIAC policy of a designated bidding system,

which may exclude foreign firms and withholding information to U.S. firms. Some U.S. Congress members, moreover, are demanding that Japan should assure American firms an opportunity to participate in the Phase-Two of the airport works as prime contractors whose participation will be 100% on its own.

Takeuchi, formerly director-general of the Transport Ministry's Ports and Harbors Bureau, was not very responsive to the idea that KIAC award a set portion of airport contracts to foreign firms.

"That could be a possibility worth considering, but it is not our job to think about it -- it's the Government's," he said.

Takeuchi joined with Construction Ministry officials in taking a dim view about foreign firms going it alone in participation in the airport project. In a recent interview, Kimihisa Ogawa, director of the ministry's contractors division, said that there have been a number of cases in which Japanese and foreign firms have jointly undertaken construction projects overseas. "I think this

(Continued on Page 4)



Takeuchi: "I don't think U.S. contractors have been doing enough in Japan to impress."

Heat forces automakers to seek out new partners

By Katsuro Khamatov

JAPAN ECONOMIC JOURNAL STAFF WRITER

Prospects of growing competition in the world car market have driven Japanese automakers to seek new international tie-ups, pointing to a major realignment in the traditional relationship, he

with AB Volvo will prompt other Japanese car makers to diversify their present tie up strategies, according to industry analysts.

On the heels of the Nissan-Ford agreement announced May 1, Fuji Heavy Industries and Volvo decided to join forces in developing and

Joint short-term interest juggling unlikely to halt \$ fall: analysts

U.S. deficit cut, Japan home demand boost the keys

By Yo Makino

JAPAN ECONOMIC JOURNAL STAFF WRITER

Many observers of the Tokyo financial markets remain skeptical about the effective-

Sanwa Bank's international treasury department, says that the interest-rate coordination is "nothing but a temporary action to play for time."

A similar view is offered by

Japan Development Bank, was induced by "the sheer size" of the U.S. credit markets. Japanese institutional investors, with their pockets bulging with cash amounting to about ¥80

Kansai—

(Continued from Page 1)

approach will be the shortcut for foreign contractors to take part in the Kansai International Airport project," Ogawa added.

Regarding the designated bidding system, which KIAC adopted in inviting bids for Phase One (involving sea reclamation and construction of a man made island in the waters off Osaka), Takeuchi refused to change the system in spite of the strong U.S. criticism. "There are so many contractors in Japan that it will be simply impossible for KIAC to get the job done through open bidding."

Under the designated system for awarding public-works contracts, the Japanese Government identifies contractors it thinks are reliable and invites them to bid. The U.S. Government and construction industry officials have complained that the system enables the Japanese Government and KIAC to effectively shut out foreign firms from bidding. The Heritage Foundation, a Washington think tank which often has a strong influence on White House policy, said in a recent report on the Kansai Airport issue that U.S. firms with no experience in Japan are not designated.

Against the Heritage's criticism, Takeuchi said KIAC does not necessarily require foreign firms to have experience in the Japanese market. "If they have expertise in airport construction overseas, they may

quality," Takeuchi said.

Takeuchi said he believed that the seminar KIAC held in October 1986 to explain the designated bidding system as well as details of the airport project enhanced U.S. firms' knowledge of the system. "It would be unreasonable for them (foreign firms) to demand that the bidding method be changed."

Takeuchi, however, emphasized that by the time Phase-Two work starts in 1990, KIAC will come up with measures to assure foreign firms that its bidding for Phase-Two jobs will be undertaken in a goldfish bowl, that is, in an understandable manner.

Takeuchi also insisted that KIAC now can provide more information than before to foreign firms on request through an international public relations division established in late April.

While showing his readiness to increase the "transparency" of KIAC's operations, Takeuchi took U.S. contractors which have been critical of KIAC to task. If U.S. firms really want to win airport contracts, he stressed, they have to demonstrate the required enthusiasm and the necessary preparedness.

"I don't think U.S. contractors have been doing enough in Japan to impress with their presence and capability," he said. Toshio Endo, director in charge of Kansai International Airport at the Transport Ministry, also was doubtful of American firms' zeal in participating in the airport project. In an interview, Endo said,

"Few of them (foreign firms) so far have bothered to obtain Japanese licenses to operate as contractors, much less to establish offices in Japan," he complained.

"There isn't much voice coming from the U.S. industry, but Congress is vocal, instead," he said.

Takeuchi suggested that offering consultancy could be one of the areas of the airport project where foreign firms can actively participate. "We have already begun seeking consulting services from a number of foreign airport authorities, including the Port Authority of New York. In the next stage we will consider soliciting similar services from private consulting firms, including those from foreign countries," he said. (Bechtel Civil Corp. of the U.S. has already signed a ¥30 million contract with a group of six Japanese firms to design the terminal building.)

"Inviting foreign consultant firms to join in of course does not mean that KIAC will give them carte blanche in terminal building construction, unlike the cases of airport construction in some countries, such as in the Arabian Peninsula," Takeuchi said.

Asked for comment on the views expressed by Takeuchi and the Transport Ministry officials, an executive of Japan Construction Contractors, Inc. said he doubted that foreign firms will be able to participate in the project on a major scale. "They can probably join in at best in supplying construction machinery and equipment and offering consulting services."

'Difficult' for foreign firms to win Phase-Two contracts

Following is a summary of comments by Yoshio Takeuchi, president of Kansai International Airport Co. in the interview with The Japan Economic Journal.

On participation of foreign firms

The project is open to all firms from all countries. But we must choose contractors on the basis of their expertise, technology, financial resources and labor management skills. It seems rather difficult for foreign firms to join in the project by themselves. For example, if they were to act as prime contractors, they would have to find Japanese subcontractors and in order to do so, it would be more realistic for them to join hands with Japanese contractors.

On designated bidding system

Open bidding is unfit for the Japanese construction industry which is crowded with nearly 600,000 contractors. Japanese firms wishing to participate in the Kansai airport project would number 5,000-6,000. Unlike the U.S., Japan does not adopt the bond system (under which contractors are required to put up bonds to compensate for failure to perform the contracted jobs) and an open bidding system could expose KIAC to serious financial

troubles.

On equipment suppliers and consulting services

As to construction machinery procurement, we intend to pick suppliers on the basis of free competition. We are now receiving consulting advice from overseas airport authorities, including those in New York, Paris, Amsterdam, Frankfurt and London. Eventually we may seek the expertise of foreign private consulting firms. Even in such a case, however, we will not give carte blanche to specific consulting firms, Japanese or foreign.

On U.S. criticism

U.S. critics hold that Japanese contractors win \$2 billion worth of contracts annually in the U.S. while American construction companies are awarded few jobs in Japan. However, let me remind them that 80%-90% of U.S. contracts undertaken by Japanese contractors are awarded by Japanese companies erecting production and other facilities. It seems to me that the U.S. criticism is unfair. The U.S. also imposes practices peculiar to it, such as its Buy-American policy requiring contractors in the U.S. to use American products in public works projects.

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TO CARLUCCI

FROM MURKOWSKI, FRANK

DOCDATE 22 MAY 87

KEYWORDS: VENICE-SUMMIT JAPAN
EXPORT CONTROLS GAS

SUBJECT: VENICE SUMMIT AGENDA ITEMS

ACTION: FOR RECORD PURPOSES DUE: STATUS C FILES WH

FOR ACTION

FOR CONCURRENCE

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COMMENTS PRES HAS ALREADY DEPARTED FOR SUMMIT

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STATEMENT ON EAST-WEST RELATIONS

1. We, the Heads of State or Government of seven major industrial nations and the Representatives of the European Community, have discussed East-West relations. We reaffirm our shared principles and objectives, and our common dedication to preserving and strengthening peace.

2. We recognize with pride that our shared values of freedom, democracy and respect for human rights are the source of the dynamism and prosperity of our societies. We renew our commitment to the search for a freer, more democratic and more humane world.

3. Within existing alliances each of us is resolved to maintain a strong and credible defence which threatens the security of no-one, protects freedom, deters aggression and maintains peace. We shall continue to consult closely on all matters affecting our common interest. We will not be separated from the principles that guide us all.

4. Since we last met, new opportunities have opened for progress in East-West relations. We are encouraged by these developments. They confirm the soundness of the policies we have each pursued in our determination to achieve a freer and safer world.

Four Statements on Economic Summit

NSC# 8704217

5. We are following with close interest recent developments in the internal and external policies of the Soviet Union. It is our hope that they will prove to be of great significance for the improvement of political, economic and security relations between the countries of East and West. At the same time, profound differences persist; each of us must remain vigilantly alert in responding to all aspects of Soviet policy.

6. We reaffirm our commitment to peace and increased security at lower levels of arms. We seek a comprehensive effort to lower tensions and to achieve verifiable arms reductions. While reaffirming the continuing importance of nuclear deterrence in preserving peace, we note with satisfaction that dialogue on arms control has intensified and that more favourable prospects have emerged for the reduction of nuclear forces. We appreciate US efforts to negotiate balanced, substantial and verifiable reductions in nuclear weapons. We emphasize our determination to enhance conventional stability at a lower level of forces and achieve the total elimination of chemical weapons. We believe that these goals should be actively pursued and translated into concrete agreements. We urge the Soviet Union to negotiate in a positive and constructive manner. An effective resolution of these issues is an essential requirement for real and enduring stability in the world.

7. We will be paying close attention not only to Soviet statements but also to Soviet actions on issues of common concern to us. In particular:

- We call for significant and lasting progress in human rights, which is essential to building trust between our societies. Much still remains to be done to meet the principles agreed and commitments undertaken in the Helsinki Final Act and confirmed since.
- We look for an early and peaceful resolution of regional conflicts, and especially for a rapid and total withdrawal of Soviet forces from Afghanistan so that the people of Afghanistan may freely determine their own future.
- We encourage greater contacts, freer interchange of ideas and more extensive dialogue between our people and the people of the Soviet Union and Eastern Europe.

8. Thus, we each seek to stabilize military competition between East and West at lower levels of arms; to encourage stable political solutions to regional conflicts; to secure lasting improvements in human rights; and to build contacts, confidence and trust between governments and peoples in a more humane world. Progress across the board is necessary to establish a durable foundation for stable and constructive relationships between the countries of East and West.

STATEMENT ON TERRORISM

We, the Heads of State or Government of seven major democracies and the Representatives of the European Community assembled here in Venice, profoundly aware of our peoples' concern at the threat posed by terrorism;

- reaffirm our commitment to the statements on terrorism made at previous Summits, in Bonn, Venice, Ottawa, London and Tokyo;
- resolutely condemn all forms of terrorism, including aircraft hijackings and hostage-taking, and reiterate our belief that whatever its motives, terrorism has no justification;
- confirm the commitment of each of us to the principle of making no concessions to terrorists or their sponsors;
- remain resolved to apply, in respect of any State clearly involved in sponsoring or supporting international terrorism, effective measures within the framework of international law and in our own jurisdictions;
- welcome the progress made in international cooperation against terrorism since we last met in Tokyo in May 1986, and in particular the initiative taken by France and Germany to convene in May in Paris a meeting of Ministers of nine countries, who are responsible for counter-terrorism;
- reaffirm our determination to combat terrorism both through national measures and through international cooperation among ourselves and with others, when appropriate, and therefore renew our appeal to all like-minded countries to consolidate and extend international cooperation in all appropriate fora;

- will continue our efforts to improve the safety of travellers. We welcome improvements in airport and maritime security, and encourage the work of ICAO and IMO in this regard. Each of us will continue to monitor closely the activities of airlines which raise security problems. The Heads of State or Government have decided on measures, annexed to this statement, to make the 1978 Bonn Declaration more effective in dealing with all forms of terrorism affecting civil aviation;

- commit ourselves to support the rule of law in bringing terrorists to justice. Each of us pledges increased cooperation in the relevant fora and within the framework of domestic and international law on the investigation, apprehension and prosecution of terrorists. In particular we reaffirm the principle established by relevant international conventions of trying or extraditing, according to national laws and those international conventions, those who have perpetrated acts of terrorism.

ANNEX

The Heads of State or Government recall that in their Tokyo Statement on international terrorism they agreed to make the 1978 Bonn Declaration more effective in dealing with all forms of terrorism affecting civil aviation. To this end, in cases where a country refuses extradition or prosecution of those who have committed offences described in the Montreal Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation and/or does not return the aircraft involved, the Heads of State or Government are jointly resolved that their Governments shall take immediate action to cease flights to that country as stated in the Bonn Declaration.

At the same time, their Governments will initiate action to halt incoming flights from that country or from any country by the airlines of the country concerned as stated in the Bonn Declaration.

The Heads of State or Government intend also to extend the Bonn Declaration in due time to cover any future relevant amendment to the above Convention or any other aviation conventions relating to the extradition or prosecution of the offenders.

The Heads of State or Government urge other governments to join them in this commitment.

STATEMENT
ON IRAQ-IRAN WAR AND FREEDOM OF NAVIGATION IN THE GULF

We agree that new and concerted international efforts are urgently required to help bring the Iraq-Iran war to an end. We favour the earliest possible negotiated end to the war with the territorial integrity and independence of both Iraq and Iran intact. Both countries have suffered grievously from this long and tragic war. Neighbouring countries are threatened with the possible spread of the conflict. We call once more upon both parties to negotiate an immediate end of the war. We strongly support the mediation efforts of the United Nations Secretary-General and urge the adoption of just and effective measures by the UN Security Council. With these objectives in mind, we reaffirm that the principle of freedom of navigation in the Gulf is of paramount importance for us and for others and must be upheld. The free flow of oil and other traffic through the Strait of Hormuz must continue unimpeded.

We pledge to continue to consult on ways to pursue these important goals effectively.

THE WHITE HOUSE
WASHINGTON

552355

1110

Date: May 9, 1987

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TO: Nancy Risque

PY

FROM: **JOHN C. TUCK**
Executive Assistant
to the Chief of Staff

I've been asked by my good friend
Lynda Nersesian with the PMA to see if
there is any way that the attached might
be mentioned at the Venice Economic
Summit.

Is there? Please ask U.S.T.R.
for a brief update on this issue.

Thanks.

The Paris Convention for
the Protection of Industrial
Property.

Inclusion of Paris Convention Issue in
Briefing Book for Venice Economic Summit Meeting
April 30 - May 2, 1987 ↗

The Paris Convention for the Protection of Industrial Property is a treaty with 90 signatories including the U.S., which sets an international legal framework for protecting industrial property rights. It is administered by the World Intellectual Property Organization. Beginning in 1974 as part of the so-called "new economic order" movement, developing countries sought to revise the Convention in such a way that would virtually abolish patent protection in less developed countries and would empower governments of those countries to confiscate inventors' rights to their own inventions through exclusive compulsory licenses. In 1982, the Reagan Administration was instrumental in getting this exercise halted. This action required intense high level government-to-government discussions because the European and Japanese negotiators were well down the road to accepting these changes.

After a period of inactivity, the developing countries have again suggested that the revision exercise begin anew. The suggestions that are now being made are similar to earlier ones and would seriously weaken worldwide patent rights. The latest suggestions put forward by the G-77 include the creation of a sole exclusive compulsory licensing system and the elimination of the right to exercise process patent rights through importation of a product protected by a process patent.

The G-77 proposals are totally irrelevant in today's world where the desirability of strengthening patent rights is now widely recognized. At the Tokyo Economic Summit last year, the participating governments agreed to seek ways to improve intellectual property protection. That declaration was followed up at the GATT meeting in Punta del Este where a move to develop minimum standards for patent protection under the auspices of GATT was begun. Those meetings are continuing and the G-77 effort in WIPO directly contravenes the objective of the GATT meetings.

A WIPO Consultative meeting on the Revision of the Paris Convention is scheduled for May 18-26, 1987. The U.S. government and U.S. industry should oppose any effort to weaken patent protection. Accordingly, the U.S. Government should encourage other participants at the Venice Economic Summit meeting to support the U.S. position at the upcoming WIPO meeting.

Van Crippen

5/29/89

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A Proposal for Venice

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- The Federal deficit, coupled with the ever-growing current account deficit, is posing an increasingly serious problem for the United States domestically and internationally. Unless the President plays a leadership role, the problem could linger on with serious consequences for the economy, which might well be forced into recession, and for the 1988 elections which could be lost by the Republican Party.
- Without a visible and significant downward trend in the Federal deficit, the inflow of foreign capital which has financed our deficit up until now could dry up. There is already some indication that this has begun. U.S. interest rates have already started to rise and could go farther. Without foreign capital to finance the deficit, private investment in such fields as housing, construction, plant and equipment, and consumer durables could be crowded out as interest rates on the debt rise and attract private U. S. investment toward the public sector.
- In order to bring about a credible and significant reduction in the Federal deficit, it will be necessary to both reduce expenditures and enhance revenues. It is recommended that the following steps be considered in order to deal with this situation:
 1. That the President invite the leadership of the Congress to talk with him indicating that he would be prepared to see an increase of at least \$20 billion in user fees or other forms of revenue enhancement on condition that the Congress would agree to cut spending by an equivalent amount.
 2. If the President can get such an assurance, the President could then speak personally with Prime Minister Nakasone and Chancellor Kohl telling them of what he and the Congress are prepared to do. This is, of course, something that they have been urging the President to do for some time.
 3. In exchange, however, the President could demand that the Governments of Japan and Germany commit themselves to a policy of worldwide economic growth by stimulating the economies of their own countries and reducing trade barriers for goods, both from the United States and the Third World.
 4. In proposing such a course of action the President could suggest that these issues be placed on the agenda of the Venice Economic Summit meeting.
- The Venice Economic Summit is likely to be President Reagan's last opportunity to bring about an agreement having a significant worldwide impact. If an agreement along the lines mentioned above were to be achieved, the world would certainly perceive the Summit as having been an outstanding success. This in turn would enhance the prestige of the President as a world leader; would lessen the prospects for a serious worldwide recession; and would enhance the possibility of a Republican victory in 1988.

A Proposal for Venice

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THE WHITE HOUSE
WASHINGTON

Date: May 11, 1987

TO: Ken Duberstein
Tom Griscom
Dan Crippen

FROM: **JOHN C. TUCK**
Executive Assistant
to the Chief of Staff

The attached was given to Senator Baker by David Rockefeller on this date as a sequence of events that he would strongly endorse.

Senator Baker wanted you to be aware of Rockefeller's ideas.

Per form
Dec. 4 - declined

ABC News 1717 DeSales Street, N.W. Washington, D.C. 20036 Telephone 202 887-7200

George Watson
Vice President and Bureau Chief

563318
4620
FO006-12
C0165
PR016



Dear Howard:

We need your help in establishing a location for Peter Jennings during the summit for World News Tonight only. The place we have in mind is next to the Treasury guardhouse at the northwest corner of Pennsylvania Avenue and East Executive Avenue. We would require only a small platform (approximately 8 feet by 8 feet) during the hours of 4:00 until 8:00 p.m., Monday thru Thursday.

As you know we have invited you to appear Tuesday, and Secretary of State Shultz on Wednesday. We hope to use this convenient location for these interviews.

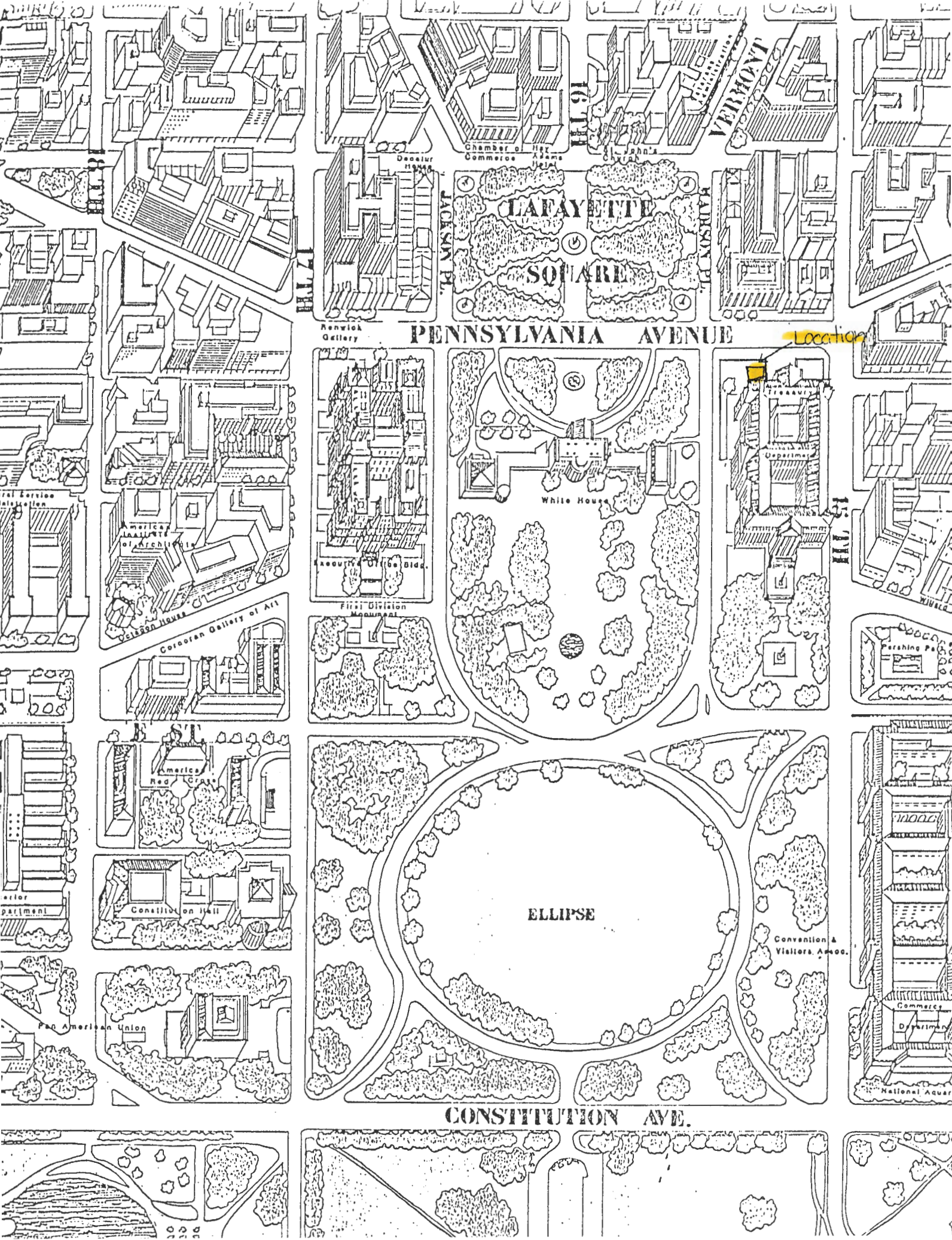
We have run into some bureaucratic obstacles in clearing this request, and I would be very grateful if you could use your influence on our behalf.

Best Regards,

George H. Watson

December 3, 1987

Mr. Howard H. Baker Jr.
Chief of Staff
The White House
Washington, D.C. 20500



LAFAYETTE
SQUARE

PENNSYLVANIA AVENUE

White House

ELLIPSE

CONSTITUTION AVE.

Location

AMERICAN
LAFAYETTE
OF ARCHITECTURE

Corcoran Gallery of Art

America
Red Cross

Constitution Hall

Pan American Union

Resource Office Bldg.

First Division
Monument

Convention &
Visitors Assoc.

Commerce

Department

National Aqueduct

Chamber of
Commerce

Decorative
House

JACKSON PL.

Renwick
Gallery

MASSACHUSETTS

VERMONT

HILL ST.

Washington Monument

Washington Monument

Washington Monument

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Current Status Details for CTRH RECID: 594755 MAIN SUBCODE: FO006-12

Current Status	Open
User Name	dbarrie
Status Date	2020-04-02
Case Number	F07-158/3
Notes	7 p. Transferred to FO006-11

Review Status History

No.	Status	Date	User	Case Number	Notes
1	Open	2020-04-02	dbarrie	F07-158/3	7 p. Transferred to FO006-11
2	Pulled	2012-11-19	kbarton	F07-158/3	Wright, Leah



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Current Status Details for CTRH RECID: 594769 MAIN SUBCODE: FO006-12

Current Status	Open
User Name	dbarrie
Status Date	2020-04-02
Case Number	F07-158/3
Notes	5 p. Transferred to FO006-11

Review Status History

No.	Status	Date	User	Case Number	Notes
1	Open	2020-04-02	dbarrie	F07-158/3	5 p. Transferred to FO006-11
2	Pulled	2012-11-19	kbarton	F07-158/3	Wright, Leah