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FO006-13 583678

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The above documents were not referred for declassification review at time of processing Freedom of information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

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B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

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CONFIDENTIAL ATTACHMENT

CONFIDENTIAL

NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506 Way

SYSTEM II 90121

583674 FO DOG-13

February 4, 1988

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BY AL-NURADITE 3/16/2010

MEMORANDUM FOR HOWARD H. BAKER, JR.

COLIN L. POWELL

FROM:

STEPHEN I. DANZANSKY

SUBJECT:

First Meeting of White House Summit Group (WHSG)

on the Toronto Economic Summit

This meeting should focus on organization, both USG internal and the Summit itself.

I. USG Organization

The NSDD signed by the President on January 20, 1988 (Tab 1) establishes the WHSG as the principal coordinating mechanism both for policy and procedure. Allen Wallis, Steve Danzansky and David Mulford are reappointed as Sherpas, but as previously discussed, the NSDD specifies a change in lines of authority. By the addition of Secretaries Shultz and Baker, the WHSG becomes something more than a logistical command center for the trip; it is the principal policy body for USG positions and agreements at the Summit. By the terms of the NSDD the WHSG delegates to Secretary Baker the authority to coordinate all economic policy questions, including Summit preparation. Likewise, Secretary Shultz has primary responsibility on foreign policy issues.

This means the Sherpas will work through and report to Secretary Baker on economics and to Secretary Shultz on foreign policy. The Cabinet officers will, in turn, be responsible to the WHSG. At the Summit, therefore, after the President, Secretary Shultz would be the sole spokesman on foreign policy questions and Baker on economic questions. Hopefully, this change will clarify lines of authority and avert the policy confusion which we experienced at Venice. It must therefore be made clear to Allen Wallis that he is to report to and be guided by the WHSG.

II. Summit Organization: Success in Toronto

Prime Minister Mulroney has written to each of the heads of state asking for their ideas on how to improve the functioning and effectiveness of the Economic Summit. Canadian officials tell us Mulroney will carefully weigh our response both in deference to the President's wishes and out of a keenly felt (by Mulroney) desire for reform of the Summit process.

Mulroney wishes to encourage as much informality as possible. He proposes more emphasis on economics than has been the case at





recent Summits, suggesting that Foreign and Finance Ministers should join in the economics discussions. However, he also suggests more time for Heads, meeting alone, to have an unstructured discussion of major Summit issues. Accordingly, he proposes beginning the Summit with an afternoon session rather than the traditional evening dinner. Mulroney used a retreat format when he hosted the Francophone and Commonwealth Summits and has broached the same idea for Toronto.

Over the past few years, the bureaucratization of Economic Summits has resulted in the evolution of three distinct processes. That was not the case in the beginning when the "Sherpas" were actually the Finance Ministers (Giscard d'Estaing, Helmut Schmidt, George Shultz) and had full authority for both preparation and policy. It was they who set the agenda, prepared their leaders and negotiated and wrote the communique. Today, however, we (in effect) must manage three Summits:

- -- The Summit-of-the-meeting-of-Heads-of-State. This Summit involves the personal exchanges and actual discussions between the Heads. Sometimes they are fruitful, at other times mundane, and occasionally, divisive. President Reagan has found these sessions to be quite useful, particularly when the discussions were less structured and more free-wheeling.
- -- The Summit-of-the-communique. The Summit communique has become a highly technical document, negotiated by the Sherpas over several months. The language is carefully drafted with meticulous attention paid to nuances and macroeconomic definitions. The communique is read by few and understood by an even smaller group of elite journalists, economists and political scientists.
- -- The Summit-of-media perception. This is the Summit of images, drama, success or failure, black and white solutions and 30 second sound bites. U.S. management of the media Summit has ranged from very good to very poor with corresponding consequences for Presidential credibility and U.S. leadership.

The addition of "political" issues to the Summit agenda in 1979-1980 has created yet another crosscurrent of issues and processes, a fourth Summit, if you will. While we have done well in accomplishing our political agenda (terrorism, East-West statements, Persian Gulf, Chernobyl), these declarations have assumed a programmed, sterile character.

When all three (or four) Summits are harmonized and well-managed, the result is usually success. In Tokyo, for example, the political Summit evoked strong agreement on an allied response to the Chernobyl disaster; the Summit of the Heads evolved into an exciting and groundbreaking discussion on the cost of agricultural subsidies. The Summit communique was consistent with the revived momentum on agricultural reform (Mrs. Thatcher actually drafted a part herself) and contained a new economic



coordination initiative (the G-7) drafted by the Finance Ministers. Meanwhile, the media Summit was filled with images of allied agreement (Chernobyl), the economic dynamism of the Pacific Basin and new initiatives (agriculture and G-7 coordination) formulated by the U.S.

By contrast, Venice diverged into four separate and sometimes anthithetical processes. The media was somehow led -- or by its own demands was deluded -- into expecting a declaration of allied unity (plus tangible support) for U.S. efforts in the Gulf. While the declaration on the Gulf achieved our immediate, more modest objectives (that led to more tangible Allied support later), the media created a situation where anything less than a commitment of naval vessels was viewed as a failure. That issue dominated the nightly news coverage for most of the Summit. A videotape check of network broadcasts during that period clearly demonstrates the point.

The economic accomplishments at Venice were modest and consisted of reaffirming commitments reached earlier at the OECD and the Bank/Fund meetings. No new progress was made on agriculture, for example, although the media was led to believe this was likely.

That perceived failure, in turn, revived the image of a crippled President (Iran Contra; waning years, etc.) incapable of retaining his leadership role in either foreign policy or economic matters.

The Summit-of-the-communique meanwhile, though technically correct and reasonably positive, did not seem to correspond with the rhetorical promises made in the President's pre-Summit speeches. Secretary Baker, in his post-Summit briefing, did not even know about the Year 2000 plan on agriculture, announced by the President in his pre-Summit departure speech.

III. Response to Mulroney Letter

Better managing the Summit process as well as tighter USG internal coordination will be central to our ability to harmonize the "four Summit" tracks.

By internally strengthening and clarifying the roles of the two key Cabinet secretaries and by centralizing policy coordination through NSDD-297, we should expect in Toronto better USG performance.

Reform of the Summit process will be more difficult, both because of its increased bureaucratization and near ritualistic procedures. Often, when we have suggested change, we are usually met with Sherpa (spell b-u-r-e-a-u-c-r-a-c-y) rigidity.

Mulroney's letter does provide us with a window, however. The host country has a strong say in Summit tone, format and



procedure. I recommend that the following points be communicated in the President's response to the Prime Minister:

- -- Back to basics -- return to the original purpose of the Summit (economic), with an important place for informality and personal exchange.
- -- To that end, suggest stronger role for the Finance Ministers at the Summit and in preparation therefore.
- -- One communique at the end -- minimize the risk of separate political and economic Summits.
- -- Meetings on economic issues first -- once completed, Finance Ministers and Sherpas closet themselves and draft communique.
- -- Last day -- or dinner before last day -- meeting on political issues with Foreign Ministers.
- -- No predrafts of communique. Sherpa preparation (meetings) should focus upon narrowing and presenting the issues, suggesting options and delivering same to their Heads immediately following the last Sherpa meeting in early June.
- -- A session at mid-point in Summit where leaders could informally discuss broader economic issues: What sort of economic world will our successors be facing in the year 2010? What is the reality of interdependence and technology? Who will produce what? Where are the likely centers of economic power? What will be the role of government? Suggest that a think-piece be prepared by the Sherpas or outside experts (Drucker, George Shultz) to be read by all participants in advance of the meeting.

One final point. The political elements of the Toronto communique will be set by the outcomes of the NATO and Moscow Summits. However, as tempting as it may be, we will not be able to paper over lack of progress on economic issues soley by highlighting allied political unity. In the aftermath of NATO and Moscow, the press and markets will expect Heads to have equally serious discussion of pressing economic issues. The President's colleagues, all of whom will have active political agendas after Toronto, will probably want (and some may need) to match the substantive success of a political summit (NATO) with an economic summit.

IV. Public Relations

We know from our Venice experience that Summit public diplomacy needs to be well thought out and organized, especially in light of a heavy spring schedule of Presidential business and travel.

For several years, because White House staff did not have the time or manpower to plan and implement such a program, Ambassador

CONEIDENTHAL

Jim Rentschler of USIA was tapped for the job, working closely with White House "image makers" (Deaver) and spokespersons. Rentschler worked on Versailles, Bonn, London, Williamsburg and Tokyo. I recently spoke with Rentschler (who is now with the OECD Secretariat in Paris). He strongly recommended looking to the private sector for a public diplomacy strategist who could plan and direct the effort. Rentschler, despite his extensive knowledge of and affection for the present complement of USG public diplomacy experts, knew of no one within the government with the stature, imagination or experience to handle the responsibility. He suggested speaking with David Gergen and Les Daly.

Attachments

Tab 1 NSDD-297

CONFIDENTIAL

Noll

Thurs - 2.45

Sen. BALLA,

For our Economic Summit MTG,

CC: -Tom GRISCOM

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CON JUCK INC

THE WHITE HOUSE

WASHINGTON January 20

January: 20, 1988

NATIONAL SECURITY DECISION DIRECTIVE NUMBER 297

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SYSTEM II

PREPARATIONS FOR THE 1988 ECONOMIC SUMMIT (U)

This directive clarifies the responsibilities of various agencies in preparing for the 1988 Economic Summit meeting in Toronto.

I. Preparations with Other Governments - "Sherpa" Team

I redesignate Allen Wallis, Under Secretary of State for Economic Affairs, as my Personal Representative for the preparation of policy aspects of the Summit meeting. Together with Stephen Danzansky, Senior Director of the National Security Council's International Economic Affairs staff, and David Mulford, Assistant Secretary of the Treasury for International Affairs, he will represent the U.S. Government at preparatory meetings for the Summit.

II. Preparations within the U.S. Government

The President's Personal Representative will coordinate interagency preparation for the Economic Summit through appropriate groups at the Under Secretary level from the Vice President's office, the Departments of State, Treasury, Commerce, Defense, Agriculture, Energy, the Central Intelligence Agency, the United States Trade Representative, the National Security Council (NSC) staff, and the Council of Economic Advisors. He will coordinate the preparation of necessary briefing materials and U.S. participation in other international meetings where Summit issues are discussed.

In carrying out his responsibilities for the Summit, the President's Personal Representative will report to the White House Summit Group (WHSG), co-chaired by the Chief of Staff to the President and the Assistant to the President for National Security Affairs. The WHSG will have primary responsibility for all matters relating to the Summit and will provide me with recommendations for decision. It may call upon the MSC and the Economic Policy Council for recommendations as necessary.

The Secretary of the Treasury and the Secretary of State, who will be members of the WHSG, will have lead responsibility within the WHSG for coordinating economic issues and political issues respectively. The NSC's Senior Director of International Economic Affairs will be executive secretary of the WHSG. (W)

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MEMORANDUM FOR GENERAL POWELL

From: Tom Griscom

Re: Public Diplomacy for Economic Summit

I have reviewed the themes for the Toronto Summit and feel they are appropriate for our purposes.

MAY

I also recall that a proposal was made for the President to deliver a commencement address at either the University of Chicago or Harvard University. The reaction to the Harvard suggestion was fairly negative. On the University of Chicago, the President makes an address in that city on Wednesday, May 4, to the National Strategy Forum. I would not recommend another trip to Chicago within a four week timeframe.

I realize the importance of putting together an active plan for the Economic Summit. But this must be done in context with the Moscow Summit and the requirements of that trip.

As you know, many of us were surprised at the schedule that was proposed for the Economic Summit. In planning for this event, we all need to keep in mind that the President has just returned from a strenuous 10-day foreign policy trip. I am not sure any of the other leaders at the Toronto Summit will be conducting that type of schedule, but I know one that is. It is important that the Toronto schedule reflect our concern for the President and the type of schedule that he will be coming off of prior to Toronto. We should discuss this further if there is any dissention in the ranks.

Now, as to events pre-Toronto Summit, I would not recommend a travel day. I would suggest that we find an appropriate forum in the D.C. area for the President to make an economic summit speech. The regional press briefing on June 8 can include some economic summit remarks. I also recommend that we put together opportunities for Secretary Baker and others (Clayton Yeutter, for example) to carry part of this burden for the President.

These are my initial thoughts. As always, I will be glad to discuss them in more detail with you.

NSC 8803204

THE WHITE HOUSE

WASHINGTON

Authority ASC Waver

By Ch HURADITE 3/16/2020

149278

April 29, 1988

MEMORANDUM FOR THOMAS C. GRISCOM

FROM:

COLIN L. POWELL

SUBJECT:

Public Diplomacy for Toronto

At Tuesday's meeting, the White House Summit Group discussed possible themes the President should stress before and during the Toronto Summit. Briefly, these would be:

- -- The Reagan Legacy: Increasing recognition worldwide that reliance on market forces is the only way to promote growth and development. State planning, intervention and control do not work.
- Cooperation and Shared Responsibilities: International cooperation, consultation and coordination (Summit, G-7, Gatt, NATO) have been revitalized by the President's policies and have proven successful in dealing with economic disturbances and threats to security. Similarly, we call upon our partners to face the future with shared responsibilities ("progress sharing").
- A Look Ahead: The future is full of challenges, economic and political. To thrive in this new world order, we must learn to quickly adapt to new relationships and emerging enterprise. The future belongs to the flexible. To get there, we must waste no time in shedding the petrified garments which restrict the free exchange of ideas, goods and services. Toronto, therefore, should take major steps forward on this front, removing anachronistic and self-destructive barriers in agriculture, trade and other economic sectors.

These themes, fully developed, merit a major Presidential address before Toronto to set the scene. A commencement address before a major university would be appropriate. The University of Chicago, the intellectual home of many of the President's economic accomplishments, has commencement ceremonies June 10 and 11. Harvard has its commencement June 9.

I would appreciate early guidance from you on the advisability of a commencement address at either Chicago or Harvard. If you concur in the idea, we need to contact the university soon.

Recommendations:

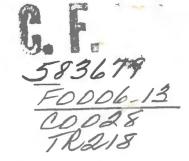
-- That we develop the themes outlined above.

CONFIDENTIAL DECLASSIFY ON: OADR

- -- That the President use either the University of Chicago or Harvard University commencements to give his pre-Toronto speech.
- -- If yes, that you coordinate the approach to the appropriate university.

De

WHITE HOUSE SITUATION ROOM



PAGE Ø1



PRT: BATJER COURTEMANCHE <u>GRISCOM</u> HILDEBRAND HOOLEY STEVENS

SIT: COBB CURTIN DANZANSKY VAX

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FM SECSTATE WASHDC

TO AMEMBASSY PARIS IMMEDIATE 3413

GONFIDENTIAL STATE 192359

E. O. 12356: DECL: OADR

TAGS: PREL, FR

SUBJECT: SCHEDULING BILATERAL MEETING WITH THE PRESIDENT

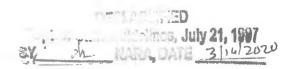
AT THE TORONTO ECONOMIC SUMMIT

1. THE WHITE HOUSE IS PREPARED TO OFFER A TIME FOR A BILATERAL MEETING WITH PRESIDENT MITTERRAND AT THE TORONTO ECONOMIC SUMMIT. (FYI, THIS IS THE ONLY BILATERAL CONFIRMED ON THE PRESIDENT'S SCHEDULE.)

- 2. EMBASSY SHOULD PROPOSE TO GOF A MEETING SHORTLY AFTER THE PRESIDENT'S ARRIVAL ON SUNDAY, JUNE 19, 2:15-2:45 PM (LOCATION TO BE DETERMINED).

PLEASE REPORT GOF RESPONSE BY IMMEDIATE CABLE. SHULTZ

#2359



TOP to J. Hockey

monday, june 20

10:00 a.m.	11:30 a.m.	plenary session
12:30 p.m.	2:00 p.m.	lunch
3:00 p.m.	3:45 p.m.	(informal session heads only)
4:00 p.m.	5:00 p.m.	plenary session
8:00 p.m.	9:45 p.m.	dinner

MONDAY, JUNE 20, 1988

12:00

0938 -1200 hou

hours Plenary Session (Economic Issues)

Main Meeting Room, MTCC

1230 -1486 hours

Separate Luncheons:

Luncheon hosted by the Prime Minister of Canada for Heads of Delegation and Foreign Ministers (Political Issues) L'Hotel

15:00-1730 (lest 1500 - Luncheon hosted by the Minister of Finance for Finance Ministers L'Hotel

Plenary Session (Economic Issues)
Main Meeting Room, MTCC

1830 2000 hours

Informal dession for Heads of Delegation Issues)

2000 -2120 hours

Separate Dinners:

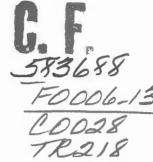
Dinner hosted by the Prime Minister of Canada for Heads of Delegation (Political Issues) Hart House, University of Toronto

Dinner hosted by the Secretary of State for External Affairs for Foreign Ministers Hart House, University of Toronto

Dinner hosted by the Minister of Finance for Finance Ministers Hart House, University of Toronto

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PAGE Ø1 OF Ø4

PRT: BATJER COURTEMANCHE GRISCOM HILDEBRAND HOOLEY STEVENS

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CONFIDENT - AL SECTION 01 OF 02 USDEL CANADA 00011 OP CENTER NIACT ALERT S/S-S LISA KUBISKE ONLY DEPARTMENT FOR S. E. S/S. S/S-S. EUR AND EAP

E.O. 12356: DECL: OADR

TAGS: OVIP (SHULTZ, GEORGE P.)

SUBJECT: TORONTO ECONOMIC SUMMIT: REVISED PRESIDENTIAL

SCHEDULE

REF: USDEL CANADA 00001

1. CONEIDENTIAL ENTIRE TEXT.

THERE FOLLOWS THE REVISED SCHEDULE FOR THE PRESIDENT'S PARTICIPATION IN THE TORONTO ECONOMIC SUMMIT AS OF COB. JUNE

3. BEGIN TEXT:

TORONTO ECONOMIC SUMMIT

JUNE 19-21, 1988

THE PRESIDENT'S SCHEDULE

SUNDAY, JUNE 19, 1988

1105 AIR FORCE ONE ARRIVES LESTER B. PEARSON

INTERNATIONAL AIRPORT, TORONTO

INFORMAL ARRIVAL

DEPART LESTER B. PEARSON INTERNATIONAL AIRPORT 1110

EN ROUTE ROYAL YORK HOTEL

1140 ARRIVE ROYAL YORK HOTEL

WASHINGTON WORK/PRIVATE TIME (35 MINS.)

1225 DEPART ROYAL YORK HOTEL WITH MRS. REAGAN EN

ROUTE NATHAN PHILLIPS SQUARE. TORONTO CITY HALL

___ July 21, 1997 Who DATE 3/16/2020

CONFIDENTIAL

WHITE HOUSE SITUATION ROOM

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1230	ARRIVE NATHAN PHILLIPS SQUARE, TORONTO CITY:HALL
	OFFICIAL WELCOMING CEREMONY
1250	DEPART NATHAN PHILLIPS SQUARE EN ROUTE ROYAL
	YORK HOTEL
1255	ARRIVE ROYAL YORK HOTEL
1300-1350	PRIVATE LUNCH IN SUITE
1355-1410	PRE-BRIEF FOR POSSIBLE BILATERAL #1
1415-1445	POSSIBLE BILATERAL #1 AT ROYAL YORK HOTEL
1450	DEPART ROYAL YORK HOTEL EN ROUTE MTCC
1455	ARRIVE MTCC
1500-1700	HEADS ONLY SESSION AT MTCC
	DEPART MTCC EN ROUTE ROYAL YORK HOTEL
1710	ARRIVE ROYAL YORK HOTEL
	PRIVATE TIME (1 HR. 30 MINS.)
1850	DEPART ROYAL YORK HOTEL EN ROUTE TORONTO HUNT
	CLUB
1910	ARRIVE TORONTO HUNT CLUB
1910-2120	HEADS ONLY DINNER AT THE TORONTO HUNT CLUB
	DEPART TORONTO HUNT CLUB EN ROUTE ROYAL YORK
	HOTEL
2 1 4 5	ARRIVE ROYAL YORK HOTEL
MONDAY, JUNE	
	DAILY STAFF TIME AT ROYAL YORK HOTEL
0950	DEPART ROYAL YORK HOTEL EN ROUTE MTCC
	ARRIVE MTCC
	SEPARATE HEADS ONLY SESSION AT MTCC
	PLENARY SESSION AT MTCC
1205	ARRIVE PRIVATE SUITE AT MTCC
	PRIVATE TIME (20 MINS.)
1225	DEPART PRIVATE SUITE AT MTCC EN ROUTE L'HOTEL
1230	ARRIVE L'HOTEL
1230-1400	WORKING LUNCHEON FOR HEADS OF DELEGATION AND
	FOREIGN MINISTERS AT L'HOTEL.
ВТ	TORETON MINITOTERO AT E HOTEE.
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PAGE Ø3 OF Ø4

ВТ	
CONFIDE	N T + A E SECTION Ø2 OF Ø2 USDEL CANADA ØØØ11
1400	DEPART L'HOTEL EN ROUTE PRIVATE SUITE AT MTCC
1405	ARRIVE PRIVATE SUITE AT MITCC
	PRIVATE TIME (20 MINS.)
1425	DEPART SUITE AT MTCC EN ROUTE MEETING ROOM
1430	ARRIVE MTCC MEETING ROOM
1430-1600	PLENARY SESSION AT MTCC.
1605	DEPART MTCC EN ROUTE ROYAL YORK HOTEL
1610	ARRIVE ROYAL YORK HOTEL
1615-1630	PRE-BRIEF FOR POSSIBLE BILATERAL #2
1630-1645	POSSIBLE BILATERAL #2
	PRIVATE TIME (1 HR. 25 MINS.)
1820	DEPART ROYAL YORK HOTEL EN ROUTE HART HOUSE,
	UNIVERSITY OF TORONTO
1825	ARRIVE HART HOUSE
1835-2000	INFORMAL SESSION FOR HEADS OF DELEGATION AT
	HART HOUSE, UNIVERSITY OF TORONTO.
2005-2025	COCKTAIL RECEPTION -
2030-2130	HEADS ONLY DINNER AT HART HOUSE
2135	DEPART HART HOUSE EN ROUTE ROYAL YORK HOTEL
2140	ARRIVE ROYAL YORK HOTEL
TUESDAY, JUNE	21, 1988
0900-0920	•
0920	DEPART ROYAL YORK HOTEL EN ROUTE MTCC
Ø925	ARRIVE MTCC
	PLENARY SESSION AT MTCC
	DEPART MTCC EN ROUTE ROYAL YORK HOTEL
1140	ARRIVE ROYAL YORK HOTEL
	WASHINGTON WORK/PRIVATE TIME (1 HR. 20 MINS.)
1300	DEPART ROYAL YORK HOTEL WITH MRS. REAGAN EN
	ROUTE ART GALLERY OF ONTARIO
1305	ARRIVE ART GALLERY OF ONTARIO
1305-1510	FINAL LUNCHEON HOSTED BY THE GOVERNOR GENERAL
	OF CANADA AT ART GALLERY OF ONTARIO
1510	DEPART ART GALLERY OF ONTARIO EN ROUTE ROY

CONFIDENTIAL

PAGE Ø4 OF Ø4

	THOMSON: HALL
1515	ARRIVE ROY THOMSON HALL
1515-1530	BRIEF PRIVATE TIME
1535-1555	PRESENTATION OF JOINT COMMUNIQUE AT ROY THOMSON
	HALL
1600	DEPART ROY THOMSON HALL EN ROUTE ROYAL YORK
	HOTEL
1615	ARRIVE ROYAL YORK HOTEL
1615-1645	PRE-PRESS CONFERENCE BRIEFING
	PRIVATE TIME (15 MINUTES)
1700-1730	POST-SUMMIT PRESS CONFERENCE AT ROYAL YORK HOTEL
	WASHINGTON WORK/PRIVATE TIME/PRIVATE DINNER
	(1 HR. 15 MINS.)
1900-1930	ADDRESS TO EMPIRE CLUB AT ROYAL YORK HOTEL
1940	DEPART ROYAL YORK HOTEL EN ROUTE LESTER B.
	PEARSON INTERNATIONAL AIRPORT
2010	ARRIVE LESTER B. PEARSON INTERNATIONAL AIRPORT
	INFORMAL DEPARTURE
2015	AIR FORCE ONE DEPARTS TORONTO EN ROUTE ANDREWS
	AIR FORCE BASE
2120	AIR FORCE ONE ARRIVES ANDREWS AIR FORCE BASE
END TEXT.	
JOHNSON	•
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PAGE 01 OF 03

PRT: BATJER COURTEMANCHE GRISCOM HILDEBRAND HOOLEY STEVENS

SIT: COBB CURTIN DANZANSKY

<PREC? IMMEDIATE <CLAS? CONFIDENTIAL <DTG? 151639Z JUN 88</pre>

FM AMEMBASSY PARIS

TO RUEHC/SECSTATE WASHDC IMMEDIATE 4922
INFO RUEHKK/EC COLLECTIVE
RUEHOT/AMEMBASSY OTTAWA 6416
RUFHGV/USMISSION GENEVA 7229

Authority State Waiver

By Olls No WE 3/16/2020

CONFIDENT A PARIS 21203

E FOR CHARLES RIES

E. O. 12356: OADR

TAGS: ECON, EFIN, ETRD, EAGR, EEC, GATT, FR

SUBJECT: GOF PREPARATIONS FOR THE TORONTO SUMMIT: ECONOMIC ISSUES

?BEGIN SUMMARY?

1. SUMMARY. GOF OFFICIALS INVOLVED IN PREPARATIONS FOR THE TORONTO SUMMIT SAY THAT GOF INITIATIVES WILL BE LIMITED TO THE DEBT ISSUE. ON AGRICULTURE THE FRENCH WILL RESIST MOVING BEYOND THE OECD COMMUNIQUE, THOUGH MITTERAND MAY EXPRESS CONCERN ABOUT THE REDUCTION IN U.S. SET-ASIDE AND ABOUT THE EXPORT ENHANCEMENT PROGRAM. AS CONCERNS OTHER SUBJECTS, THE FRENCH EXPECT NO SIGNIFICANT DISAGREEMENTS. END SUMMARY.

? END SUMMARY?

- 2. IN RECENT DAYS EMBASSY HAS DISCUSSED TORONTO SUMMIT ISSUES WITH SOME FRENCH OFFICIALS INVOLVED IN PREPARING THE GOF POSITION, INCLUDING MARC BOUDIER, ECONOMIC ADVISOR TO THE PRESIDENT, PASCALE BERACHA, ADVISOR TO THE DIRECTOR OF THE ECONOMIC DEPARTMENT AT THE MINISTRY OF FOREIGN AFFAIRS, AND FINANCE MINISTRY SOURCES.
- 3. DEBT: ALL BELIEVED THAT THE ONLY AREA IN WHICH THE GOF WOULD TAKE THE INITIATIVE WOULD BE CONCERNING THE THIRD

PAGE Ø2 OF Ø3

WORLD DEBT PROBLEM, WHERE MITTERAND WILL SEEK G-7 BLESSING FOR THE IDEA OF SPECIAL TREATMENT FOR THE POOREST INDEBTED COUNTRIES. BERACHA SAID THAT THE GOF BELIEVES IT IS IMPORTANT TO ACHIEVE A CONSENSUS ON THE CRITERIA TO BE USED TO IDENTIFY THOSE COUNTRIES WORTHY OF SPECIAL DEBT RELIEF, SO AS TO MAINTAIN A COMMON CREDITOR POSITION. BOTH BOUDIER AND BERACHA SAID THE FRENCH WILL BE FLEXIBLE ON THE MODALITIES OF DEBT RELIEF THAT EACH COUNTRY COULD CHOOSE TO APPLY, THOUGH THEY BELIEVE IT WOULD BE USEFUL TO AGREE ON A LIST OF OPTIONS FOR PROVIDING ASSISTANCE, SUCH AS THE THREE OPTIONS CONTAINED IN PRESIDENT MITTERAND'S LETTER TO PRESIDENT REAGAN.

4. AGRICULTURE: BOUDIER EXPECTED MITTERAND TO EXPRESS GOF CONCERN ABOUT THE RECENT USG DECISION TO REDUCE SET-ASIDE, AND ABOUT THE EXPORT ENHANCEMENT PROGRAM. BERACHA EMPHASIZED, AT THE SAME TIME, THAT THE GOF DOES NOT WANT TO RE-OPEN THE AGRICULTURAL DOSSIER, AND BELIEVES THAT THE COMPROMISE REACHED AT THE OECD SUMMIT SHOULD BE RESPECTED.

5. NIC'S: BOUDIER AND BERACHA DOWNPLAYED THE IDEA OF GIVING SPECIAL ATTENTION TO THE PROBLEMS OF THE NEWLY INDUSTRIALIZED ECONOMIES. BOUDIER THOUGHT THAT OTHER ISSUES

WOULD LEAVE LITTLE TIME TO DISCUSS THE NIC'S. BERACHA ADMITTED THAT THE NIC'S ARE IMPOSSIBLE TO AVOID IN MANY ISSUES, BUT CAUTIONED THAT FRANCE WAS CONCERNED THAT APPEARING TO SINGLE OUT THE NIC'S, "IN AN AGRESSIVE MANNER", COULD BE COUNTER-PRODUCTIVE.

- 6. DRUGS: BOUDIER AND BERACHA WERE AWARE OF THE USG'S DESIRE FOR STRONG COMMUNIQUE LANGUAGE ON DRUG COOPERATION, BUT BOTH SAID THAT THEY WERE NOT INVOLVED IN GOF DELIBERATIONS ON THE ISSUE.
- 7. COMMENT. WHILE THE FRENCH PRESS HAS SPECULATED THAT THE POLITICAL UNCERTAINTIES OF THE POST-ELECTION PERIOD MAY FORCE THE GOF TO TAKE A LOW PROFILE AT TORONTO, WE FIND SUCH ANALYSIS OVERDRAWN. THERE IS A GOF CONSENSUS ON THE NEED TO ADDRESS THE DEBT ISSUE AND TO STAND PAT ON AGRICULTURE.

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CONCERNING OTHER SUBJECTS, GOF REP'S DO NOT EXPECT ANY DISAGREEMENT TO ARISE. THEY INSIST THAT IF PRESIDENT MITTERAND PULLS ANY SURPRISES AT THE SUMMIT, THEY WILL BE AS SURPRISED AS WE ARE.

RODGERS

ВТ

#1203

PAGE Ø1 OF Ø2

PRT: BATJER COURTEMANCHE <u>GRISCOM</u> HILDEBRAND HOOLEY STEVENS SIT: BEFRS PORTER COBB CURTIN DANZANSKY VAX

<PREC? PRIORITY <CLAS? CONFIDENTIAL <DTG? 140519Z JUN 88</pre>

FM SECSTATE WASHDC

TO RUEHKO/AMEMBASSY TOKYO PRIORITY 4502
INFO RUFHLD/AMEMBASSY LONDON PRIORITY 5715
RUFHOL/AMEMBASSY BONN 0139
RUFHFR/AMEMBASSY PARIS 3339
RUEHOT/AMEMBASSY OTTAWA 0844
RUEHON/AMCONSUL TORONTO 7706
RUFHRO/AMEMBASSY ROME 7001

Authority State Walver -

CONFIDENTIAL STATE 190552

E. O. 12356: DECL: OADR

TAGS:

PTER

SUBJECT: GOJ VIEWS ON TERRORISM TEXT AT SUMMIT

REFS: A) TOKYO 10639 (B) TOKYO 10572

- 1. CONFIDENTIAL ENTIRE TEXT.
- 2. UPON INSTRUCTIONS FROM TOKYO, POLITICAL COUNSELOR KATO AND FIRST SECRETARY TAKEUCHI ON JUNE 13 PAID A CALL ON AMB. BREMER TO DISCUSS THE TERRORISM STATEMENT AT THE TORONTO SUMMIT, LIBYA AND GREECE.
- 3. TERRORISM STATEMENT KATO ASKED WHAT WAS THE USG VIEW ON THE SHERPA PROPOSED STATEMENT ON TERRORISM WHICH WAS THE BRITISH TEXT WITH A BRACKETED SECTION THAT WOULD POSSIBLY BE DELETED. AMB. BREMER RESPONDED THAT HE DID NOT YET KNOW EITHER THE SECRETARY'S OR THE PRESIDENT'S VIEWS ON THE STATEMENT, BUT FELT THAT BOTH WOULD WANT A STRONG STATEMENT. AT MINIMUM, WE WOULD WANT INCLUDED IN THE STATEMENT THE BRACKETED LANGUAGE REFERRING TO A NOTAKEOFF POLICY. IT IS ALREADY EXISTING EUROPEAN POLICY TO NOT ALLOW A HIJACKED PLANE TO DEPART ONCE IT HAS LANDED AT AN AIRPORT.

PAGE Ø2 OF Ø2

- 4. AMB. BREMER STRESSED THAT THE GOJ SHOULD NOT BE SO CONCERNED ABOUT THE FRENCH POSITION (REF A) AND THAT WE WOULD LIKE TO SEE A STRONG GOJ POSITION ON THE MATTER. HE ALSO INQUIRED ABOUT FM UNO'S REMARKS ABOUT INCLUDING THE SEOUL OLYMPICS IN A TERRORISM STATEMENT AT THE TORONTO SUMMIT. THE USG ALSO THOUGHT THERE SHOULD BE A REFERENCE TO THE OLYMPICS IN THE TERRORISM STATEMENT. HOWEVER, AT THE EXPERTS' MEETING LAST WEEK, THE GOJ REPRESENTATIVE HAD DEMURRED ON INCLUDING SUCH A REFERENCE IN THE DRAFT STATEMENT. KATO PROMISED TO CLARIFY THE GOJ'S POSITION.
- 5. DEMARCHE ON LIBYA KATO WAS INTERESTED IN KNOWING THE BACKGROUND TO THE RECENT DEMARCHE MADE ON LIBYA (REF B). AMB. BREMER EXPLAINED THAT AFTER THE U.S. BOMBING ON LIBYA IN APRIL 1986, WE SAW A DECLINE IN LIBYAN-SPONSORED TERRORISM IN 1986 AND 1987. THEN IN LATE 1987 INTO EARLY 1988, WE BEGAN TO SEE EVIDENCE OF A POSSIBLE RESURGENCE OF LIBYAN-BACKED TERRORISM WHICH COULD BE LINKED TO THE JAPANESE RED ARMY.
- 6. EXTRADITION OF RASHID KATO ASKED ABOUT THE STATUS OF THE USG REQUEST FOR EXTRADITION OF MOHAMMED RASHID, GIVEN THE GOJ INTEREST AS A JAPANESE NATIONAL WAS KILLED IN THE 1982 PAN AM BOMBING. AMB. BREMER STATED THAT HE

HAD BEEN TRYING TO REACH THE MINISTER OF JUSTICE OVER THE WEEKEND WITHOUT SUCCESS. THE GREEKS ARRESTED RASHID ON MAY 30 UPON OUR REQUEST. AT THE PRESENT TIME, THERE IS NO FORWARD MOVEMENT ON THE EXTRADITION, BUT WE WILL CERTAINLY KEEP THE GOJ INFORMED. SHULTZ BT

Ø 5 5 2

-CONF-IDENT-IAI----WHITE HOUSE SITUATION ROOM

PAGE 01

PRT: BATJER COURTEMANCHE GRISCOM HILDEBRAND HOOLEY STEVENS

SIT: COBB CURTIN DANZANSKY VAX

<PREC? IMMEDIATE <CLAS? CONFIDENTIAL <DTG? 140434Z JUN 88</pre>

FM SECSTATE WASHDC

TO RUEHOT/AMEMBASSY OTTAWA IMMEDIATE Ø836 INFO RUEHON/AMCONSUL TORONTO IMMEDIATE 7705 RUEHKO/AMEMBASSY TOKYO 4493

CONFIDENTIAL

-LIMITED OFFICIAL USE STATE 190466

OTTAWA FOR SCIENCE COUNSELOR

E.O. 12356: N/A

TPHY. JA

SUBJECT: US - JAPAN BILATERAL SIGNING OF SCIENCE AND

TECHNOLOGY AGREEMENT AT TORONTO SUMMIT DURING THE BILATERAL BETWEEN THE PRESIDENT AND JAPANESE PM

TAKESHITA TENTATIVELY SCHEDULED FOR 4:30 P.M. MONDAY. JUNE 20. THE PRESIDENT AND PRIME MINISTER PLAN TO SIGN THE RECENTLY NEGOTIATED BILATERAL AGREEMENT ON

COOPERATION IN RESEARCH AND DEVELOPMENT IN SCIENCE AND TECHNOLOGY. AS A COURTESY TO GOC, PLEASE INFORM

APPROPRIATE FOREIGN MINISTRY OFFICIALS. WE UNDERSTAND

THE GOJ WILL BE INFORMING GOC AS WELL. OES DAS DE VOS

HAS INFORMED CANADIAN EMBASSY IN WASHINGTON. SHULTZ

BT

#0466 .

Maines, May 21, 1997 BY dh Maka, DATE 3/14/2000

PAGE Ø1 OF Ø6

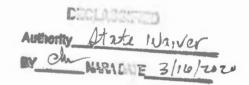
PRT: BATJER COURTEMANCHE GRISCOM HILDEBRAND HOOLEY STEVENS

SIT: COBB CURTIN DANZANSKY VAX

<PREC? IMMEDIATE <CLAS? CONFIDENTIAL <DTG? 151634Z JUN 88</pre>

FM AMEMBASSY LONDON

TO RUEATRS/DEPTTREAS WASHDC IMMEDIATE
RUEHC/SECSTATE WASHDC IMMEDIATE 6435
INFO RUEHKK/EC COLLECTIVE
RUEHOT/AMEMBASSY OTTAWA 3154
RUEHKO/AMEMBASSY TOKYO 6225



TREASURY PASS OASIA FOR T BERGER, FAUVER, FALL, STEIMEL E.O. 12356: DECL: Ø6/15/18
TAGS: EFIN, ECON, PREL, SNAR, UK
SUBJECT: BRITISH VIEWS ON TORONTO SUMMIT
1. (9 - ENTIRE TEXT)

?BEGIN SUMMARY? SUMMARY

2. HMG EXPECTS THE TORONTO SUMMIT TO BE BUSINESSLIKE, WITH FEW SURPRISES, BUT NONETHELESS OF FUNDAMENTAL IMPORTANCE IN KEEPING VIGOROUS THE SPIRIT OF POLICY COORDINATION AND COOPERATION. EFFECTIVE INTERNATIONAL COOPERATION FOLLOWING THE OCTOBER MARKET CRASH IS TESTIMONY TO THE VALUE OF THE SUMMIT PROCESS EVEN WHEN FCW URGENT CHOICES ARE ON THE AGENDA. BRITISH SHERPAS EXPECT NO CONTROVERSY ON MACROECONOMIC TOPICS. EFFORTS AT STRUCTURAL ADJUSTMENT WILL GET HEIGHTENED ATTENTION. THE BRITISH THINK IT IS EXTREMELY IMPORTANT FOR THE HEADS TO GIVE A CLEAR LEAD ON TRADE NEGOTIATIONS SO THAT FORWARD MOMENTUM IN THE URUGUAY ROUND IS MAINTAINED. THEY ALSO ARE CONVINCED BOTH THE U.S. AND THE EC NEED TO

PAGE Ø2 OF Ø6

SIGNAL SOME FLEXIBILITY ON AGRICULTURE TO AVOID BECOMING HOPELESSLY STALEMATED. THEY SUSPECT THE FRENCH MIGHT WANT TO DO SOME GRANDSTANDING ON INTERNATIONAL MOBITARY REFORM. IF SO, IT WOULD BE MORE FOR THEATER THAN FOR FEFECT.

- 3. A NEW SUMMIT INITIATIVE ON DEBT RELIEF FOR THE POOREST DEBT RIDDEN COUNTRIES APPEARS TO BE COALESCING, AND IT MIGHT BE POSSIBLE TO AGREE ON NEW, COMMON POSITIONS AT THE SUMMIT. NOTHING NEW IS EXPECTED REGARDING THE APPROACH TO MIDDLE INCOME DEBTOR COUNTRIES.
- 4. ON THE POLITICAL AGENDA, THE BRITISH ACKNOWLEDGE ! HAT PRIDE OF PLACE WILL GO TO EAST-WEST ISSUES, BUT ! HEY ARE INSISTENT MIDDLE EAST ISSUES MUST BE INCLUDED. THEY ARE CONFIDENT THE SUMMIT PARTICIPANTS THEMSELVES WILL WANT TO ADDRESS MIDDLE EAST ISSUES SIMPLY BECAUSE OF THEIR IMPORTANCE.
- 5. THE BRITISH WILL SUPPORT THE U.S. INITIATIVE ON COOPERATION ON NARCOTICS, RELYING ON DEPUTIES TO SEE THAT VEXING EXTRATERRITORIALITY PROBLEMS ARE MANAGED SMOOTHLY. THE BRITISH WANT A CLEAN COMMUNIQUE,

BASICALLY ONE SECTION ON ECONOMICS AND ONE ON POLITICS WITH AN ABSOLUTE MINIMUM OF CHRISTMAS TREE ORNAMENTATION. END SUMMARY?

6. EMIN AND FINATT MET OVER THE LAST FEW DAYS WITH THE THREE BRITISH SUMMIT SHERPAS -- NIGEL WICKS, RODRIC BRAITHWAITE, AND GEOFFREY LITTLER. THE SHERPAS EXPECT THE TORONTO SUMMIT WILL BE BUSINESSLIKE. THIS IN NO WAY DETRACTS FROM THE IMPORTANCE THE BRITISH ATTACH TO THIS SUMMIT. IT IS RATHER A RECOGNITION THAT ALMOST ALL THE SHMMIT PARTICIPANTS ARE HIGHLY EXPERIENCED IN THESE

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MEETINGS AND NO MAJOR NEW INITIATIVES ARE EXPECTED.
SUCCESSFUL COOPERATIVE EFFORTS FOLLOWING THE OCTOBER
MARKET CRASH PROVE THE VALUE OF THE SUMMIT PROCESS FOR
DEVELOPING AND SUSTAINING A PATTERN OF ECONOMIC POLICY
COORDINATION.

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7. ON THE ECONOMIC AGENDA, THE BRITISH BELIEVE TRADE AND AGRICULTURE REQUIRE THE MOST ATTENTION BY THE SUMMIT PARTICIPANTS. AGRICULTURE WILL BE THE MOST CONTENTIOUS AND SENSITIVE ISSUE. THE BRITISH BELIEVE THE POSITIONS OF THE U.S. AND THE EC ARE FROZEN UNNECESSARILY. THEY ARE CONCERNED THAT UNLESS SOME SIGNS OF FLEXIBILITY ARE SHOWN, THE AG NEGOTIATIONS COULD BE STALEMATED WITH ADVERSE EFFECTS FOR THE URUGUAY ROUND. THEY SAY MRS. THATCHER WILL PRESS FOR FLEXIBILITY AND STRONG COMMUNIQUE LANGUAGE THAT WILL PROVIDE POLITICAL DIRECTION TO THE NEGOTIATORS. WITHOUT FURTHER POLITICAL IMPETUS NOW, HMG BELIEVES IT WILL BE VERY DIFFICULT TO ACHIEVE ANYTHING TANGIBLE AT THE MID-TERM REVIEW.

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8. IN THE MACROECONOMIC AREA, THERE SEEMS TO BE A GENERAL CONSENSUS ABOUT NEAR-TERM ECONOMIC PROSPECTS AND IN FAVOR OF THE CURRENT POLICY APPROACH. NO DISAGREEMENTS ARE ANTICIPATED ON THESE TOPICS.
INFLATIONARY RISKS, THOUGH STILL MUTED, HAVE SUPPLANTED THE RECESSION CONCERNS OF LAST FALL. BECAUSE THERE IS A CONSENSUS ON THE NEAR-TERM OUTLOOK, THE BRITISH SHERPAS AGREE THAT A RETROSPECTIVE REVIEW OF THE POLICY DIRECTION ADOPTED AT RECENT SUMMITS WILL BE WORTHWHILE.

#3149

BT

C-9-N-F-I-D-E-N-T-I-A-L-SECTION 02 OF 03 LONDON 13149
TREASURY PASS OASIA FOR T BERGER, FAUVER, FALL, STEIMEL
E.O. 12356: DECL: 06/15/18
TAGS: EFIN, ECON, PREL, SNAR, UK

PAGE Ø4 OF Ø6

SUBJECT: BRITISH VIEWS ON TORONTO SUMMIT
THE LINE TAKEN IN THE 1980'S HAS BEEN DIFFERENT THAN
THAT IN THE 1970'S, WITH A NUMBER OF SUCCESSES TO SHOW
FOR RECENT INITIATIVES.

_

9. THE BRITISH SEE VALUE IN EXAMINING STRUCTURAL ADJUSTMENT POLICIES AT THE SUMMIT SINCE STRUCTURAL PROBLEMS IN ONE COUNTRY THAT INHIBIT ECONOMIC PROGRESS HAVE SPILLOVER EFFECTS ON THE WELL-BEING OF OTHER SUMMIT COUNTRIES. SOME STRUCTURAL PROBLEMS, SUCH AS AGRICULTURE, ARE COMMON TO ALL OF THE PARTICIPANTS AND NEED TO BE ADDRESSED JOINTLY. OTHERS. SUCH AS LABOR

MARKET RIGIDITIES, ARE INTERNAL TO EACH COUNTRY. THE BRITISH ANTICIPATE THE HEADS WILL WISH TO EXPLORE WITH EACH OTHER HOW DOMESTIC STRUCTURAL PROBLEMS CAN BE OVERCOME, BUT THERE WILL BE NO FINGER POINTING; THERE ARE PROBLEMS IN ALL COUNTRIES.

-

INDICATOR EXERCISE MIGHT MOVE FORWARD BUT EXPRESSED SOME SKEPTICISM ABOUT HOW MUCH FURTHER THE INDICATORS APPROACH COULD OR SHOULD BE PUSHED. HE SAID THE BRITISH GOVERNMENT HAD DOUBTS ABOUT "GLOBAL INDICATIVE PLANNING," IF THAT IS WHAT IS EVOLVING. AT HM TREASURY, GEOFFREY LITTLER SAID THERE WAS AGREEMENT AMONG THE G-7 ON THE INDICATORS, BUT HE THOUGHT THE SUMMIT SHOULD BE CAUTIOUS ABOUT DRAWING UNDUE ATTENTION TO THE COMMODITY PRICE INDICATORS BECAUSE OF THE RISK THAT MARKETS MIGHT BECOME UNDULY INFLUENCED BY SHORT-TERM PRICE FLUCTUATIONS.

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11. WICKS SPECULATED THAT PERHAPS THE FRENCH WOULD TRY
TO SPRING A GRANDSTAND INITIATIVE BY LAUNCHING A NEW
PROPOSAL FOR INTERNATIONAL MONETARY REFORM. HE SAID
THIS WAS PURELY SPECULATIVE ON HIS PART: BUT GIVEN

PAGE 05 OF 06

MITTERRAND'S INTEREST AND THE FRENCH FLAIR FOR THE THEATRICAL, HE THOUGHT SUCH A PLOY WAS POSSIBLE.

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12. ON RELATIONS WITH THE LESSER DEVELOPED ECONOMIES (LDE'S -- AKA LDC'S). THE BRITISH BELIEVE POSITIONS ARE COALESCING AROUND A NEW APPROACH FOR DEALING WITH THE DEBT OF THE POOREST COUNTRIES. SECRETARY BAKER AND PRESIDENT MITTERRAND HAVE SHOWN NEW FLEXIBILITY. MOVING IN THE DIRECTION OF CHANCELLOR LAWSON'S EARLIER INITIATIVE. LITTLER THOUGHT THE RESULT COULD BE A MENU APPROACH FOR HANDLING OFFICIAL DEBT RESCHEDULINGS FOR THE POOREST COUNTRIES. HE CAUTIONED, HOWEVER, THAT CREDITORS MUST MAINTAIN A COMMON LINE AND NOT NEGOTIATE THE POSSIBLE MENU OPTIONS WITH THE DEBTORS. THE PARIS CLUB SHOULD CONTINUE TO NEGOTIATE WITH THE DEBTOR WHETHER TO RESCHEDULE AND, IF SO, HOW MUCH AND OVER WHAT TERM. ONCE PARIS CLUB TERMS ARE SET, INDIVIDUAL CREDITOR GOVERNMENTS MIGHT THEN USE ANY OF THE MENU OPTIONS IN THEIR BILATERAL NEGOTIATIONS WITH THE DEBTOR. NO NEW INITIATIVE ON MIDDLE INCOME DEVELOPING COUNTRIES IS ANTICIPATED. WITH REGARD TO THE EMERGING ASIAN ECONOMIES. THE BRITISH CLEARLY PREFER TO DIFFERENTIATE AMONG THEM RATHER THAN TREAT THEM AS FOUR SIMILAR DRAGONS. IN PARTICULAR. THEY ARE PREPARED TO SUPPORT MAINTENANCE OF HONG KONG'S PEG TO THE DOLLAR.

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13. THE BRITISH SHERPAS ACKNOWLEDGE THAT EAST-WEST RELATIONS WILL BE THE FOCAL POINT OF THE POLITICAL DIALOGUE. HOWEVER, HMG IS INSISTENT THAT MIDDLE EAST ISSUES MUST BE ADDRESSED SINCE PROBLEMS THERE ARE WIDELY ACKNOWLEDGED TO BE SO PRESSING. THE BRITISH BELIEVE THE HEADS THEMSELVES WILL WANT TO DISCUSS THE MIDDLE EAST SO THE SUBJECT WILL COME UP NATURALLY DURING THE TALKS DESPITE THE EFFORTS OF SOME OTHERS TO CONFINE POLITICAL TALKS TO EAST-WEST TOPICS ONLY.

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14. THE U.S. INITIATIVE ON NARCOTICS FOCUSES ON A

PROBLEM WE ALL SHARE IN COMMON, AND THE BRITISH WILL SUPPORT OUR INITIATIVE. A LOT OF WORK WILL NEED TO BE DONE BY SPECIALISTS, BUT THE IMPORTANT THING IS FOR HEADS OF GOVERNMENT TO SET THE POLITICAL DIRECTION. ON SPECIFICS, BRITAIN WILL BE ALERT TO EXTRATERRITORIALITY PROBLEMS IN THE ENFORCEMENT AREAS BUT BELIEVES THIS SHOULD BE NO BARRIER TO COOPERATION IN THE COMMON EFFORT AGAINST NARCOTICS.

15. THE BRITISH ARE FIRM IN WANTING A CLEAN COMMUNIQUE

#3149

BT

CONFIDENTIAL SECTION 03 OF 03 LONDON 13149
TREASURY PASS OASIA FOR T BERGER, FAUVER, FALL. STEIMEL
E.O. 12356: DECL: 06/15/18

TAGS: EFIN, ECON, PREL, SNAR, UK
SUBJECT: BRITISH VIEWS ON TORONTO SUMMIT
WITH A MINIMUM OF EXTRANEOUS, SINGLE-COUNTRY ISSUES.
THEY SEE THE COMMUNIQUE AS BASICALLY TWO SECTIONS, ONE
ECONOMIC AND THE OTHER POLITICAL. STATEMENTS ON
BIOETHICS AND THE ENVIRONMENT HAVE BEEN PRETTY MUCH
AGREED AND CAN BE ACCOMMODATED EVEN IF THEY DO NOT FIT
NEATLY INTO THE PREFERRED FORMAT.

PRICE

BT

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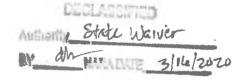
PAGE Ø1 OF Ø5

PRT: BATJER COURTEMANCHE GRISCOM HILDEBRAND HOOLEY STEVENS

SIT: COBB CURTIN DANZANSKY VAX

FM AMEMBASSY OTTAWA

TO RUEHC/SECSTATE WASHDC 2214
INFO RUEATRS/TREASURY DEPT WASHDC
RUEADWW/THE WHITE HOUSE
RUEHIA/USIA WASHDC 4767



CUNFIDENITAL SECTION Ø1 OF Ø2 OTTAWA Ø25Ø5

NOFORN

DEPT ALSO FOR INR/B

TREASURY FOR MULFORD

USIA FOR EU

WHITE HOUSE FOR PRESIDENTIAL ADVANCE

E. O. 12356: DECL: OADR

TAGS: KSUM, PINR, CA

SUBJECT: CANADIAN ECONOMIC SUMMIT ADVISORS

REF: STATE 71345

1. GONFIDENTIAL - ENTIRE TEXT

?BEGIN SUMMARY?

2. SUMMARY. THE KEY ADVISORS TO GOC SHERPA SYLVIA OSTRY ARE: JOHN PAYNTER, SUB-SHERPA FOR POLITICAL PEND SUMMARY?

ISSUES AND GENERAL STAFF AIDE, AND WENDY DOBSON, SUB-SHERPA FOR ECONOMIC AND FINANCIAL MATTERS. THEIR INFLUENCE ON THE PROCESS IS SOMEWHAT LIMITED IN PART OWING TO OSTRY'S PERSONAL PRESTIGE, EXPERIENCE AND INDEPENDENCE. PAYNTER IS A CAREER DIPLOMAT, AND HIS ROLE IN PREPARATION FOR THE SUMMIT IS MAINLY AS COORDINATOR AND FACILITATOR. DOBSON, ON THE OTHER HAND, IS AN ECONOMIST, POLITICAL APPOINTEE, AND REPRESENTATIVE OF THE DEPARTMENT OF FINANCE, AND HAS

CONFIDENTIAL

PAGE Ø2 OF Ø5

THE POTENTIAL TO WIELD GREATER INFLUENCE. END SUMMARY.

3. SHERPA OSTRY: CANADIAN SHERPA SYLVIA OSTRY IS IN MANY RESPECTS "HER OWN BOSS." SHE IS AN ECONOMIST AND AUTHOR, AND HAS YEARS OF EXPERIENCE IN THE CANADIAN BUREAUCRACY AND WITH PREVIOUS ECONOMIC SUMMITS. SHE TRAVELS EXTENSIVELY AND IS PERSONALLY ACQUAINTED WITH ECONOMIC POLICY MAKERS IN ALL OF THE G-7 COUNTRIES. SHE HAS A STRONG PERSONALITY AND IS KNOWN FOR HER INDEPENDENCE. SHE IS ESPECIALLY KNOWLEDGEABLE ABOUT GATT AND MULTILATERAL TRADE MATTERS. WHILE SHE READILY ABSORBS TECHNICAL AND FACTUAL BRIEFING MATERIALS, SHE IS INCLINED TO EXERCISE HER OWN JUDGMENT, ESPECIALLY ON TRADE MATTERS AND THE FOREIGN POLICY PRIORITIES OF THE GOC LEADERSHIP.

- 4. SUB-SHERPA PAYNTER: AS DIRECTOR GENERAL FOR THE ECONOMIC POLICY BUREAU IN THE DEPARTMENT OF EXTERNAL AFFAIRS, JOHN PAYNTER REPORTS TO ASSISTANT DEPUTY MINISTER TONY EYTON (HEAD OF THE ECONOMIC AND TRADE POLICY BRANCH). ON SUMMIT MATTERS, HOWEVER, HE DEALS DIRECTLY WITH OSTRY, COORDINATING THE COMPILATION OF BRIEFING PAPERS, SETTING UP AND CHAIRING MEETINGS, AND ATTENDING SHERPA MEETINGS AS HER POLITICAL ADVISOR AND GENERAL AIDE.
- 4. PAYNTER'S INFLUENCE ON THE SUBSTANTIVE ASPECTS OF SUMMIT PREPARATION IS PROBABLY LIMITED, IN PART BY OSTRY'S EXPERIENCE AND SELF-CONFIDENCE AND IN PART BY HIS OWN BACKGROUND. HE STUDIED ECONOMICS AND IS A HIGHLY RESPECTED CAREER DIPLOMAT. HE SERVED ON THE CANADIAN DELEGATION TO GATT IN 1979-81, AND HIS CURRENT RESPONSIBILITIES INCLUDE OECD MATTERS. ON THE OTHER HAND, HE HAS OFTEN SERVED AS A POLITICAL OFFICER, AND HIS CAREER EMPHASIS HAS BEEN ON SOVIET AND ASIAN AFFAIRS. HE SPEAKS RUSSIAN AND CHINESE, AND HIS MOST RECENT ASSIGNMENT, IMMEDIATELY PRIOR TO HIS 1987 POSTING TO OTTAWA, WAS IN BANGKOK AS AMBASSADOR

PAGE Ø3 OF Ø5

5. PAYNTER IS PERSONABLE AND EASY-GOING. HE IS VERY FORTHCOMING AND COOPERATIVE. ALTHOUGH HE HAS NOT HAD A TOUR IN THE U.S.. HE IS WELL-DISPOSED TOWARD THE U.S. AND ITS POLICIES. HE RECALLS WITH PLEASURE HIS PROFESSIONAL RELATIONSHIPS WITH U.S. OFFICIALS DURING HIS TIME AT THE GATT. HE IS NOT KNOWN TO HAVE STRONG PERSONAL PREFERENCES ON SUMMIT TOPICS. HE DEFINITELY TAKES HIS LEAD FROM OSTRY. WHOM HE HOLDS IN HIGH ESTEEM. 6. SIIR-SHERPA DOBSON: WENDY DOBSON IS ASSOCIATE DEPUTY MINISTER OF FINANCE, RESPONSIBLE FOR BOTH THE INTERNATIONAL TRADE AND FINANCE BRANCH AND THE FISCAL POLICY AND ECONOMIC ANALYSIS BRANCH. SHE REPORTS TO DEPUTY MINISTER STANLEY HARTT AND FINANCE MINISTER MICHAEL WILSON. BOTH OF WHOM ARE EXPECTED TO BECOME HEAVILY INVOLVED AND ACTIVE IN THE TORONTO SUMMIT. SHE HAS ATTENDED THE SHERPA MEETINGS AS REPRESENTATIVE OF THE DEPARTMENT OF FINANCE AND AS OSTRY'S SUB-SHERPA AND ADVISOR ON ECONOMIC AND FINANCIAL AFFAIRS.

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#2505

BT

G O N F 1 D E N T 1 A L SECTION Ø 2 OF Ø 2 OTTAWA Ø 25Ø 5 NOFORN

DEPT ALSO FOR INR/B

TREASURY FOR MULFORD

USIA FOR EU

WHITE HOUSE FOR PRESIDENTIAL ADVANCE

E.O. 12356: DECL: OADR

TAGS: KSUM. PINR, CA

SUBJECT: CANADIAN ECONOMIC SUMMIT ADVISORS

7. DOBSON IS RELATIVELY NEW TO HER JOB (JANUARY 1987)
AND LACKS THE VERY CONSIDERABLE PUBLIC SECTOR AND
INTERNATIONAL EXPERIENCE OF OSTRY. HOWEVER, HER
PERSONAL ATTRIBUTES AND CURRENT POSITION SUGGEST THAT
SHE HAS CLEAR POTENTIAL FOR SUBSTANTIVE INPUT AND
INFLUENCE ON CANADIAN PREPARATIONS FOR THE SUMMIT. SHE

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HAS A PHD IN ECONOMICS FROM PRINCETON (1979), ALSO STUDIED AT HARVARD, AND IS WELL-DISPOSED TO THE US. ARTICULATE AND DYNAMIC. SHE HAS WORKED AT THE UNDP, AUTHORED MANY ARTICLES ON TRADE AND MACROECONOMICS, AND SERVED ON VARIOUS BOARDS AND COMMITTEES, INCLUDING THE STATISTICS CANADA COMMITTEE, THE INTERNATIONAL TRADE ADVISORY COMMITTEE, AND AS PUBLIC GOVERNOR OF THE TORONTO STOCK EXCHANGE. IMMEDIATELY PRIOR TO JOINING FINANCE, SHE WAS THE DIRECTOR OF THE PRESTIGIOUS C.D. HOWE INSTITUTE, KNOWN FOR ITS HIGHLY COMPETENT AND INFLUENTIAL RESEARCH AND PUBLICATIONS ON CURRENT ECONOMIC POLICY ISSUES.

8. DOBSON'S POTENTIAL INFLUENCE IS FURTHER ATTRIBUTABLE TO HER POSITION AS A POLITICALLY APPOINTED SENIOR OFFICIAL IN THE DEPARTMENT OF FINANCE. SHE DIRECTS AND DRAWS UPON THE INTERNATIONAL AND MACROECONOMIC BRANCHES AT FINANCE. AND ALSO SOLICITS AND COORDINATES THE INPUT OF THE BANK OF CANADA INTO THE SUMMIT PLANNING PROCESS. SHE IS ACTIVE IN THE G-7 (FINANCE MINISTRIES' GROUP) AND HAS WELL-FORMULATED VIEWS ON KEY MACROECONOMIC POLICY ISSUES. FOR INSTANCE. SHE IS A STRONG SUPPORTER OF TRADE LIBERALIZATION. MACRO POLICY COORDINATION AND COOPERATION. AND ELIMINATION OF GOVERNMENT SUBSIDIES AND BARRIERS TO LABOR AND CAPITAL MOBILITY. SIGNIFICANTLY. SHE SHARES THESE VIEWS--AND A COMMON HOME BASE OF TORONTO, HOST FOR THE SUMMIT -- WITH MINISTER WILSON. IN REPRESENTING FINANCE AS SUB-SHERPA. SHE HAS THE ABILITY TO PRESENT HER VIEWS FORCEFULLY. IN FACT. SHE WILL NOT HESITATE TO CALL ON WILSON FOR HIS INPUT, AT CABINET LEVEL IF NECESSARY, TO ASSURE THAT OSTRY TAKES INTO ACCOUNT THE PREFERENCES AND POSITIONS OF THE DEPARTMENT OF FINANCE. NILES

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PRT: BATJER COURTEMANCHE GRISCOM HILDEBRAND HOOLEY STEVENS

SIT: COBB ERMARTH LINHARD VAX

<PREC? IMMEDIATE <CLAS? CONFIDENTIAL <DTG? 231618Z FEB 88</pre>

FM AMEMBASSY OTTAWA

TO RUEHC/SECSTATE WASHDC IMMEDIATE 1594
RUEADWW/THE WHITE HOUSE IMMEDIATE
INFO RUEHCR/AMCONSUL TORONTO IMMEDIATE #434

GONFIDENTIAL

LIMITED OFFICIAL USE SECTION Ø1 OF Ø2 OTTAWA Ø1543 DEPT FOR A/TSS - BULL, AND EUR/CAN - HOMME

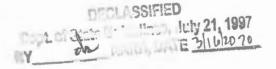
E. O. 12356: N/A

TAGS: KSUM, AMGT, CA

SUBJECT: PRESIDENTIAL SURVEY MISSION -- TORONTO

REF: A) STATE 053722 AND B) OTTAWA 01313

- 1. REVISED SCHEDULE FOR PRESIDENTIAL SURVEY MISSION FOLLOWS.
- 2. WEDNESDAY, FEBRUARY 24:
- -- 1740 WHITE HOUSE PARTY ARRIVES AT TORONTO
 INTERNATIONAL AIRPORT. MET BY TORONTO ADMINISTRATIVE
 OFFICER WILLIAM CAMPBELL. BUS TO ROYAL YORK HOTEL.
 DRIVE TIME: 40 MINUTES.
- -- 1845 ARRIVE ROYAL YORK HOTEL. EVENING FREE.
- 3. THURSDAY, FEBRUARY 25:
- -- Ø845 ASSEMBLE IN LOBBY OF ROYAL YORK. WALK TO METRO TORONTO CONVENTION CENTER (MTCC). WALKING TIME: 5 MINUTES.
- -- Ø9ØØ GENERAL BRIEFING ON PROGRAMS, EVENTS, AND HOSPITALITY SITES AT MTCC.
- INTRODUCTION: MR. LEN EDWARDS, EXECUTIVE _ ---
- DIRECTOR, SUMMITS MANAGEMENT OFFICE
- BRIEFING: MRS. MARY MCNEIL. SENIOR
- MANAGER, PLANS AND PROGRAMS



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-- 1000 VISIT OF MEETING SITE. MTCC

BRIEFING: MR. WILLIAM VANSTAALDUINEN. COORDINATOR, CONFERENCE OPERATIONS VISIT OF MEDIA CENTER, MTCC BRIEFING: MRS. GAIL FLITTON, COORDINATOR, MEDIA FACILITIES AND SERVICES -- 1100 VISIT TO THE SITE OF THE WELCOMING CEREMONIES. NATHAN PHILLIPS SOUARE. TORONTO CITY HALL BRIEFING: MRS. MARY MCNEIL, SENIOR MANAGER, PLANS AND PROGRAMS, AND MR. ROGER PORTELANCE -- 1200 LUNCH (OPEN) -- 1330 VISIT OF THE ROYAL YORK HOTEL BRIEFING: MR. JOHN SCHRAM, COORDINATOR, LOGISTICS, TRANSPORT AND LIAISON, AND MS. LYNN BERTHIAUME, MANAGER, ACCOMMODATION AND ACCREDITATION -- 1500 LOAD BAGGAGE ON BUS. 1530 WRAP-UP AT THE TORONTO ECONOMIC SUMMIT OFFICE. 120 ADELAIDE STREET. WEST. -- 1630 VISIT TO THE ROY THOMSON HALL, SITE OF THE CLOSING SESSION BRIEFING: MRS. GAIL FLITTON, COORDINATOR, MEDIA FACILITIES AND SERVICES -- 1645 DEPART FOR TORONTO INTERNATIONAL AIRPORT. DRIVE TIME: 40 MINUTES. -- 1730 VISIT TO ARRIVAL/DEPARTURE SITES AT TORONTO INTERNATIONAL AIRPORT -- WARDAIR FACILITIES -- 1800 END OF ADVANCE VISIT -- 1815 WHEELS UP FOR ANDREWS 4. AS FOR SIDE VISIT TO ISLAND YACHT CLUB. BEST TIME APPEARS TO BE DIRECTLY AFTER VISIT TO NATHAN PHILLIPS

SQUARE. SITE VISIT WILL TAKE APPROXIMATELY ONE HOUR, LEAVING TIME FOR QUICK LUNCH AT ROYAL YORK HOTEL PRIOR

TO HOTEL BRIEFING AT 1330. TIME AT HOTEL SEEMS

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GENEROUS, SO WE HAVE SOME GIVE THERE.

5. WEATHER FORECAST: POSSIBILITY OF SNOW FLURRIES

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E. O. 12356: N/A

TAGS: KSUM, AMGT, CA

SUBJECT: PRESIDENTIAL SURVEY MISSION -- TORONTO WEDNESDAY, PARTLY CLOUDY THURSDAY, HIGH TEMPERATURE 20 DEGREES FAHRENHEIT. WEAR OVERSHOES OR BOOTS; PARTICULARLY FOR ISLAND VISIT.

- 6. EMBASSY PARTICIPANTS WILL BE:
- ERIC BOSWELL, ADMINISTRATIVE OFFICER, OTTAWA
- JAMES THURBER, PUBLIC AFFAIRS OFFICER, OTTAWA
- GARY PRITCHARD, GENERAL SERVICES OFFICER, OTTAWA
- JOHN HALL, DEPUTY PRINCIPAL OFFICER, TORONTO
- WILLIAM CAMPBELL. ADMINISTRATIVE OFFICER. TORONTO
- STEVE JENKINS, REGIONAL SECURITY OFFICER, TORONTO
- BARBARA MOORE. BRANCH PUBLIC AFFAIRS OFFICER,
- TORONTO

NILES

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