

Ch. My m/s notes of
the Toronto Summit.
PC put a file, in case
I need
to go.

① Mulroney: Says everything is secure. I need
to go.
Explaining where everything is. W.C.C.
Now talking about media facilities?
28.6.

Outlining Nexty Plan.

Today - Econ priorities.

Want Discussion free wheeling.

Want the Summit into Economics.

Politics tonight*

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S. Gray
23/7/2016

Explaining format of agenda.

Where meetings will take place.

[No - no need to. I want to
Keep control of notes!]

Representatives received from:
T.C.S., Asean, Hawke on
behalf of Cairns, Business leaders

(2)

Will summarize messages received.

Canadian priorities.

Debt of Porrest

Agric

Trade, esp Fr. Tr. Agreent

15 minutes before end of meety Wilson will
come in + will give ^{us} him [- orally I think]
neutral statement.

Same procedure for tonight's discussion or
E-W.

Stress this is Econ Summit.

Taken liberty to ask 1 to begin
session. No T.

But any technical Qs first.

(3)

Kohl : Discuss environment?
eg threat to ozone level.

Environment is subject all expect us to discuss.
Poor countries adopting disastrous policies

Nakomiy: Tos: Nandy
Opportunity to discuss, - training + education.

But today is Economics.

PN: This "Brain" for arrangements + reps of Toronto.

Play of us here in differing capacities.
↓ Takashita Nori Fin Nin.

hook back.
Contrast end 2nd cycle
" 1st "

1981

High inflation
High + ↑ Unemp.
Accommodating inflation.
Monetarist Theories
Fine Tuning. S.t. Expansionist policies.

4.

2nd cycle

- Fundamentals.
- Structural Reform.
- Releasing energies of people.

So

+ how inf.

Growth
Emp. ↑

At Montebello would have been delighted
with what we have achieved.
Message for press.

2nd Point: Press saying it "non-Summit"

Results achieved only with Summits.

Supported each other.
Congress gave extra authority beyond
a natural statement.

Unless had fundamentals at last Oct
could not have been dealt with.

3rd Point:

More to do.

Sound policies must continue.

AND

Special effort to tackle

- trade
- price
- debt

3

Now need to free up W. Trade.
Not doing best to resist Protectionism.
Congrats to US + Can.
Example to us. Enormous Benefit will accrue.

If we subsidize, we undermine industrial
competitiveness.

↑ Unemp.
Harm 3rd World.
Trade as well as aid.

Protect = Tariff barriers
+ other measures

All undertaken commitments in new GATT round.
Need to give them substance at N. T. R. in
Montreal.

+ trade in services
+ intell ~~prop~~ ~~rights~~
+ get away from objections to foreign
dir. investment. Not object to
for. ~~transfers~~.

We are not negotiating body. But we
see tone

- framework for negotiations at N. T. R.

Making Punta Pt about early agreement
Reinforce Gatt.
Dispute Procedure.

6. ●

Can't get rid of ^{all} protectionism in
h

Agric: Refers to Economist Article
Easy for Herbers to tell us
what to do. - LAUGHTER!

Reading out article

Emphasizing v. course studies in Europe.
Describes them.

Yes, have + agric expend. But a v. good
start.

Referring to OECD method of comparing
subsidies in all their forms.
Result:

~~Sample.~~ 1986 Quoting Her Table.

Alarming figures. Must get figures
down.

large increases 80-86.
Quoting figures.

So going wrong way.

7.

Elhan quote - no reaction!

Competitive subsidies will bankrupt as all.
thrust. L.D. Cs.

Discussed in general terms at Ven. + Tokyo.

Agree - freeze or reduce subsidies
at this Summit. - Tropical products
- EEC methods of comparison

How 10 yr proposal.

Braue.

I not so optimistic.

DEBT. All got to help poorest.

Fair burden.

In Diff ways, so be it.

Must have IMF programme.

Will provide lives.

So double benefit.

We prepared it off aid loans - money for
Resched trade loans.

Reduce i.r. thru Paris. C.

Fit all options into compatible whole

8.

Economics only right is people's right.

Political Economy.

Adam Smith - Prof of Moral ?

Tech. Change fast. Security lies in speed to respond. Discuss tomorrow.

Political Change fast - E-W
Consciousness of nationhood + interdependence of whole world.

We can't plan world - just as can't plan our national societies.

But we can set right international framework.
- will add to liberty.

Send out message - Success
achievement
confidence
commitment to continue.

Nelson: Thelga.

Reagan: Heard my notes [from P. P.] - v. eloquently.

By last Summit.

Seen such progress

[Do you still read me?]

First names - please.

In Tokyo, we recognized we were
all subsidizing agric.

[Check.] Put farm speaker.

\$96 Bop in farm subs in next US budget.

\$200b world wide.

Diffic tell farmers no market.

Scientific bracketon' in prospect.

Com \rightarrow gasoline.

1 Day oil exhausted. Now we have
substitute.

Can misc com based oil + gasohol

10

OK!

Make plastics biodegradable.

So if we keep searching, we can turn
agric back into market.

Some illustrative stories

Protectionism in Congress.

Vetered Trade Bill. - in Electric Tr.

Believe new bill has rectified these things.
Will continue to vote & support protectionist.

Recalled Econ State when came into office.

We turned to belief in MKT. Place.

Now have top rate \approx to yours (Margaret) top rate.
But high earners paying higher per cent of tax
Because have incentive.

People at bottom income, paying reduced
share.

This is our way forward.

If said more, would repeat what Margaret said.

16.8 new jobs in US

62.6% 16+ are now employed.

+ 1/2 jobs in higher []s of income.

11. 1 man figure.
Asked Bard to remove regulations - a sort
of NISC 133
600m man hours reduced paperwork.
Book of Regs 170w - 1/2 size.

Nalrang: We good witness of US efforts ✓
protectionism
1 person firm ✓ Japan + Euro etc
basking - R.R.

Told Fr. Pitt thought Gephardt = Democratic
candidate because of pressure of protectionism

Kohl. What is message for Toronto?
Confidence
Optimism
Collaboration between 7cs of value
NB - Oct 1987.
No 1979 because we have way of
working together.
For Comyné

Facing Peace Stat. Not inflationary site.

More to be done

12.

All have problems, obstacles.

Agrees greatest danger is protectionism.

Thinks. Pres. R. for standing up.

NB - This v. imp for poor countries, esp Africa.

Unless we let in their commodities, they
cant import our capital goods.

Clear message pro Free World trade.

Unless GATT round succeeds, what we
say of not much imp.

Agric : Needs stronger market orientation.

US + Canada not yet seen effect of
an agreement.

Don't want see Fed Repub without farms, But
different problems.

17 h. FRG av size of farms.

27 Fr

75 UK

175 US

Next look at period ← 20 yrs to get matter
under control.

Reviewing programs in EC.

13.

We need time to adjust.

US + Can famous in not send a bad
situation.

Steps have been taken.

Next take app. offered by N.T.R.
to move forward.

Debt.

Have forgiveness debts + well do more.

Minutes should present overall concept
to Paris Club.

Each country proceed differently.

A framework approach.

Agree N.T. - won't get money back.

But L.D.C.s. must help themselves.

They have responsibility.

Catastrophic mismanagement.

Quick Review of FRG Econ.

[Are you still there?]

Welcomes US / Can F.T.A.

Tremendous progress since W'burg.

14. ●

Nulvry: Helmut said

agric subs have to be changed/gov.

20 yrs too long

Have you a target?

Kohl. No; Must make determined ~~measures~~ ^{measures} between now + next legis period.

Nitterand: What said, echoes my general thinking.

Agrees what NT said

- ✓ could progress made + results.

Diffic. will recur.

Developed a level of communication between
ourselves which has helped.

Agree in Pres US - someone stood up
against demagogic voice in trade in US.

Recalling change in economic circumstances.

Inflation 14% to 2.5%

Others done it too.

#

15.

Unemp ↑, but rate of ↑ slowed down.

Figures to illustrate this

The Curve beginning to tail off.

Expect slow, but severe, to if not full, steep fall in unemp.

Reforms undertaken.

Political system far centuries centralized or Paris.

Decentralized - None then for 5 centuries.

No large handful of senior civil servants who decide all.

Also established certain order in internal monetary affairs.

For some yrs after Versailles ^{in 1982} no progress
But for '85 progress. Hope it can be continued; then' Europe Cty, where several poles, not just \$ + Yen.

Agree Fin Nins took right measures after Oct 19, despite risk of ↑ inflation.

Parsons's wrong.

Political Commit: Free trade to be derigiste from centre. X controls, price controls set up over yrs, not in 1981.

Existed under Louis XIV

Nap I etc.

But we have produced complete price freedom.
Given our support for liberalization of capital
movements.

As a Socialist, I have helped developed
counterpowers to state.

Always opposed protectionism.

long History in France.

Example - Millere (Phon)?

Country which is frightened of others, will be
weakened.

Decided to abolish all frontiers by 1995 for
everything, services, football players - need
be careful here, - but can choose club of
their choice

[Tea has arrived!]

Protectionism has advanced.

In Europe less, more elsewhere.

In Europe 10m farmers fed 2 1/2 US.

Next week progress

- But take measures to prevent upheaval.

Selling five & town halls.

Pulling drivers (English) from trucks

Wine wars over with Italy.

Xmas Chicken war with Eng.

Beer war with F.R.G. require 16 agreements.

Don't know why Free Turkey get all
in October, but OK rest of yr. highlighted.

Japan - Nakasone presented views of human
relations, but Japan seem unenthr.
Stayed closed.
heads to tourists

Protectionism is gaining ground, perhaps less
than expected.

3rd World Development.

2 Complementary problems - development + debt.

1. Development:

Aid gone down.

OECD say 2% ↓

Some countries trying harder, i.e. Fr.

Summit decisions not all been followed up.

say I.N.F. E.S.A.F.

W.B. Capital.

Some done, but not fully.

18.

2. Debt.

Tribute to countries who have
written off debt.

Not forget UK proposals similar to Fr.
But achievements fall short of expectation.

Need coordinate approach.

Joint of common measures.
Described his initiative.

UK has compared with some constructive
proposals. Need a similar approach.

If no decisions here, we write off $1/3$ debts
using Venice criteria.

Not Brazil or Cole d'Ivoire etc.

Case by case basis of Paris Club.

Need IMF agreement

Thost suggested to me some safeguards
to prevent money wasted by spendthrift
countries.

Apply to all offic ODA

+ commercial loans underwritten by State.

Don't know how countries affected. - Some 20.
Nigeria? Its debts high.

19.

Writing off figures in ledgers.

Gabon, richer country than others say made great efforts, but you exclude us. Not fair!

Tribute - said not make presents - we get used to it. But whether we write off Zaire debt, make no difference

Some have preference for preferential rates.

We should not discuss figures.

These countries so affected by changes in commodity prices. Impossible to cope with.

We must do something special on tropical products
Mrs T said it before me.

Poor countries have been helping us. \$35b flow for poor countries to us.

Nuclear. Tribute to Reagan + Gorb.
We can control nuclear weapons, but not poverty.

2-3b human beings affected by rain absence of rain etc.
Must recognize they don't have say

no.

paper say in world affairs.

Population Growth so great in developing world
Increasing fanaticism in parts of developing
world. Terrorism

Wars going back to knives.

Fear militarized ~~economic~~ nuclear weapons.

In between saw people with

Saw 6 + 7 around airport.

4 minutes to get out range in aircraft he was in.

let us agree on a method designed to reduce
indebtedness of poor 3rd world.

Palmy: recalling Canadian contribution to debt write off.
Recalled what Labor Poes said - If I
knew Canada was foregoing debt, I would
have owed Canada more.

Tattershiter.

[We are clearly going to run quite late]

Thanked Mrs T for her review.

Recalled time as Fin Nin.

Stressing now policy coordination

But still usual problems.

21.

External imbalances.

Japan will ensure domestic demand
lead growth takes root.

Open up further Japan NTBs. Are Not
Tariff Barriers - like Japan language.
Send young people to learn.

On Debt:

Recall History

i. Between 45-55 Japan received ^{from USA} assistance [

ii " 55-65 " "

Began then to extend aid as war reparations
^{from World Bank}

iii 65-75 - More assistance, esp to S.E. Asia.

iv 75-85 - Need to improve quality
of assistance; not just quantity.

Now listing Japan Aid programs.

In areas of world, like SAHTEL, where
no expertise used advice from others.

Switch of emphasis for Asia.

Agriculture: Hope discussions in Uruguay round
will make progress.

Thank you!

22. ●

De Rita: My first summit.
But aware of progress.

[What is happening outside?]
Are Fin + For Ministers
still meeting?]

Referring to contraction contribution of
Italian small firms.

Problem of public debt.

[Pulmonary said a moment ago, dinner will
be late]

Need get ready for '92

Diffic in following reason in agric, trade
+ prof. [He has not said
why.]

Japan, US, + Europe - 3 enormous powers.
They produce more than
their markets can consume.

If it is poss for J, US + Europe, they must
grow, must do so in a way which
does not cause problems.

23. [I correct your last statement.
The Foreign Ministers do!]

Back to Italy

Speculating on the effect of removing
subsidies from agriculture.

Need look at effects on Community
or environment

But agree support producers, not products.

Agree adopt common position on debt, as
Pres N. suggested.

But debt write off must be accompanied
by policies to help L.D.C.S

Brought ~~prob~~ proposals for debt + environment.

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Differences of opinion over issues, but
we must take united approach.
This will come from looking at item 1a
this complexity.

24.

By looking at past, we can decide how
go into future.

[Dinner at 8.30 - but here by 10.30.
So arrive at 8.00, not 7.00]

Agree Wilson coming in a few minutes.

Details.

Thought necessary to send message to
Stock + EX NITE.

UK PN gave us answers to sceptical press.

Reviewing how things have improved.
Tribute to US econ.

Cooperation has helped everyone.

Two other messages:

i. Explain why Oct 19 not so damaging
Aus → more flexible economies + cash reserves
+ correct monetary policies. There!

ii Trade finance + X rates.

Grant multilateralism on all fronts, agric
int. prog.

Agree Europe awful work to do.
But if we had not acted worse.

25.

St. of living of farmers ↓

NB: As Pres A. said, agric should provide raw material for industry.

Point - Need adopt global matters to be accepted by I.F. I.S.

As H. of Morocco + Pres Algeria told him these centres need food.

3 further factors in world economy.

i. SEP - not a fortress. Will contribute to int trade. Create 2-5m new jobs.

ii Welfare FTA US + Can.

Shows globalization of world economy

iii NIEs: They need share border + resources.

In different positions.

H/Kory diff from Singapore, from Taiwan.

Nairobi. Tokyo.

Summary Document for Press.
Message of
Natural trust

26. Will read about

Excellent friendly discussion.

hand off by N.T.

Worthwhile

Topics remembered as an Economic Summit.

No room for complacency

1. Macro - policy coord develops.
2. Resest Protection. Welcome SET, US/Can
Give strong signal for Montreal.
3. Agric - Need for incentives.
4. Debt - Recognize reserves.

Touched on Environment, pop growth etc.

PN says agree straightforward.

Kohl - Uses word optimum.
Emphasize importance of GATT.

PN

26.

Nitterand - He has been busy.
Does not like market force references.
Too much emphasis on agric.

Don't like this approach.
He wants it to be signed by Stepan.

#

Dehans : Recognise efforts which have already been made
in agriculture.

AN : We must say more + stronger efforts.

Takshita: This is simply an indication

Nalany : My summary, a progress report. Not bind
anyone.
It is my summary.
Does not bind anyone.

NONDIA

ATT

(1)

Meeting now

Heads

Finance Ministers.

No - Foreign Ministers.

They are drafting.

Not disagreement on substance,
But just form

MULHONEY

KOHL:

But we agreed to have short
declarations.

More + more papers.

Illusion we have dealt with
them.

MULHONEY.

My judgement INF so important
that it should stand alone,
Regional issues would dilute
the message. That was my
preference.

to

Turn now to morning plenary.
This am.

Fiscal, Structural, Aero,
Debt.

pm 2-30 - 400

NIE Trade + specifically
agriculture.

(2)

6.30 tonight photo.
consider tonight boys + Environment.

P. Wilson: Comments \neq agreed text.
Personal.

Since Venice G7 2 Meetings.
Active coop.

Challenges ahead.

Good ECU situ.

Tubulars progressively being corrected.

Xrate adjustments helpful.

Current stability in X.R. helpful.

No further X.R. changes necessary.

No room for complacency.

Single out some fears on
inflation.

Exploring use of indicators, trade
Council price indicators as
another tool.

Emphasize structural reform.

Exch. imp. to show public costs +
benefits of structural reform. This
must be integrated into econ.
coop process.

Trade: Summit to send strong signal
of support for Uruguay round. Same
with Agric. Need.

Develop s.t options with L.T.
framework for N.T.R.

US/Canada FT - can act as a
catalyst for Geneva. Welcome SETN.

Next enhance multilateral system.
Referred

Debt: Referred to 3 options.
P. Club to examine technical
aspects asap - to check burden
sharing.

Support New approach. Carefully
consider any new initiatives before they are launched.
Support GCI for W. B.

Reagan:

Kohl: Are we discussing debt separately.

Mulroy: ^{Yes} ~~No~~ - fiscal.
- structural
- then debt.

Reagan: Real progress since Venice.
Oct 19 shows success.
Econ prospects best for 7 years.

4.

Emphases used for structural reform. Specifies them.
tax
deregulate

50% new jobs in US created by entrepreneurs.
2/3 jobs created by employees less than 200 people.

Refers to a particular case.
Young visionary ideajournalist
Made biscuits.
35 employees ; 1/4 business.

Polony:

P.P.: 1 fundamental change cycle 1 + 2
illustrated by Pres.
Cycle I: concerned with distribut-
wealth. This undermined its very
creation.
Cycle II: wealth creation.
This is perhaps biggest change since
cycle 1 + 2.

In time of prosperity, spendy
 Ministers want spend. Strong
 PMs + Ch/Ex needed to insist
 living in means.

Need tough piece in communiqué &
 center on pub exp growth.

Nalray: Agree.

Contentious position in Canada.
 Canadians that anything they want, should
 be paid for.

If consecutive to Report ↓
 First for 40 yrs.
 Prominent enemy is within Govt - Ministers
 They are charging out advocacy
 spendy.

~~Re~~

Fre Fra

Mia

: France reducing deficit.
 Diffic because of privatization.
 It will be deprived of income
 Spirit of enterprise in Fr.

Efforts to create monetary organization
 Balcer played significant role, esp
 at Plaza. helpful

6

Need ensure rules of game,
in trade + elsewhere.

Debars: PN yesterday emphasized diff between
first + second cycles.

- inflation
- protectionism control
- economics more flexible.

3 imp. pts for future:

- important competitiveness in sectors.
through supply side policies.
This will help unemployment.

SEN relevant here.
[Ah I can see! Thank you!]
Figures to demonstrate.

Will benefit world. SEN not a
closed zone. Create > 5m new jobs.
German Presidency takes vital decisions

- Capital Movements.
- Professional for Quads.
- Road Transport

* [Message passed]

- Agriculture reform, but in a
balanced way.

7

- Have we drawn all conclusions
for economic policy, that we have
a world market? No.

Need help, with vigilance,
countries of Communist East.
New frontiers for growth is world wide
economy.

Nulrong: Congratulate Europe for 1993.
Thanks to your leadership.
Congratulate to reflect this.

~~DeHta~~

Reagan: Recalls as Govn of California.
Admin overhead for needy program.
\$2 for every \$1 delivered.
Referred to P.S.I. [I bet some

Took 43 days to get passport.
Now 6.

Pto Sector experts looked at this.

Jobt processing function
100 days when came in office.
10 now

best to \$84b raised for clarity - Cost 6 or
7% to raise. Shows how cheaply it can
be done.

8 ●
First cause of bureaucracy is preserve
the bureaucracy.

Every Sunday takes leading newspaper
in West Washington Post (sic)
looks at size of job adverts.

Need review ways of reducing burden
of Govt.

N.L. Fiscal Policy. 1 good way looking at
2 cycles.

Cycle 1 - concern was for getting
growth, but record of growth worse.
Why? The Neo Keynesian prescription
of ins. B/Def. But all that ↑ was
inflation. Reversed policy - Reduced
deficits. UK has surplus. Won't go
back to deficits. UK bigger than
forecast in Budget.

But we have had growth - Why
structural reform. Climate when
ordinary people can do their best.
None to do, esp in education + housing.

Totally different role for fiscal policy.
FP supports NP in ↓ inflation
+ provides framework of stability.

9

for industry etc.

Nulmang: How would you characterize F.P. in UK.

NL: FP = B.D. - Get them clear + out
of system
= Tax Policy - reform + reduce
get rid of distortions. Referred to
UK + US experience.

Have to have 2 together. Not
tax reform at expense of B.D.

Kohl: Encouraging experience. Process of rethinking in
FRG. Last Sunday made special to
celebrate 40 yrs of D.N.
Badmang bereg.

We talk about a social Mkt economy
Unless it takes $\frac{A}{c}$ of people, not a
humane policy. Social justice.

Once we have SEN, said same as
introducing D.N.

lot of measures for SEN controversial
On Thurs final meeting for tax reforms.
456 D.N. tax reduction in prospect.
Is controversial.

(10)

Also trying reform Health Ins Syst.
In dispute with Drs, Hospitals.
Drs complaining of desperate poverty.
But costs so pressing.

In dereg, lobbies join together.
Industrialists + TVs joining to
stop dereg of postal services.
Reform program soon before Parl.
Adopted '89

Unemployment: 2.1m = 8%.

Structural unemployment - farmers, coal
shipbuilding.

Major problem unemployment fraud -
claiming benefits. Same in Europe.

Good GNP increase 1Q.

High rate of VV caused 1yr after
2 inflation disasters. Why FP so imp.

Message of confidence + optimism, of
dereg + free mktts.

Message in S. W.

A focus, water Am.

If we set example, spin offs for other
generations.

Maloney: Your remarks apply to Canada.

11

Talked to : Stress policy coord + send out signal.
Good Jap Growth rate 4-9%, this
to Fu Nin.

Referred to Telecom ^{N.T.T.} Pte. Proceeds
used for I T reduction + pub. works.

Copyright Down. Demand lead growth
will continue.

Noted good lab. relationships in
private N.T.T.

Plaza Accord: Nohoru = to rise
Complaint from Exporter friends
reputation want down.

Rise in Yen \neq new stability has
helped with input prices.

On Structural Adjustment, following Hayek
Report coal, agric
Emphasis on land, agric, distribution
+ tax reform.

5.6 To Yen = \$446 of direct
tax reductions. + plans to reduce
consumption tax.

3-75% annual growth over next 5 yrs.

12

This yr.

35% ↑ imports
20%

\$ ↑
Vol

Baker.. Now have political mechanism to coord. econ policies
Proved can work. That can survive. But whatever
we call it, it's changed float or improved trade system.
All this done in way which does not
cede sovereignty.

Rubio: Tribute to sponsors of J.B.

Amato: Referring to houses, agree what second cycle /
+ cycle II.
Pub Exp policy changed

Preferred to tax reform plans, similar to US.
Don't agree every \$1 spent by state is bad.
Pub Exp well spent if produces jobs

Referring to NIS problems in Italy + UK.
Here, the H. P. O. S. of US achieved.
Thinking hard to introduce competition.

PN: Send message to Foreign Ministers
"Speed up or give up"

Rubio: Sylvia - Do it!

13. Reagan: Referred to old economist [Kaldor]

At begin Empire, rates low,
tax great. At end, rates high, tax
low.

Often dynamic effects of tax reductions
ignored by those who argue
for against tax reductions. Tax reduced
goes back into the economy.

[Foreign Accounts are appearing.]

Filing Cabinet Story.

Fre Fu

Min.:

Agree importance of S.E.T.

Agree need to cut taxes, But how do
so + reduce deficit. Diffic faced by
US

Debt of gratitude to J. Baker for Plaza.

Need finance growth by mobilizing capital.
Requires i.r. ↓ Can only be done by
coord between countries. Need regulatory
mechanisms; can't leave to free mkt forces.

If Economy is to succeed, all must hang in.

14. Pulsony

Debt: Referred Gander forgiveness of debt programme started last Sept.

Referred to Hausa proposal.
Then new dimension from Pres N.

Hope Summit can produce concrete proposal on this heart rending problem.

Kohl: Agrees with Pulsony
Recognize problems achieving agreement now. Must not delay.

Deal this year.
Referred to proposals.
Produced from Diff backgrounds, esp legal
Must give ourselves concrete tasks.

Believe N. S. conflict will be the issue.

Agree N. T. countries must help themselves. Often corrupt, mismanagement

Must help towards self aid.
Aid which stops ecological catastrophes - NB Ghana + Zaire.
- desecration of tropical rain forests.
Need think globally on environment.

15.
P.N.:

Need clear message
kept agreement long time.

2 conclusions

- i. Aid loans to poorest write off
- ii. Paris Club Debt - Various options. Ask P. C. to negotiate, each of us taking own route or understanding burden sharing + cohesive result.

Aulroy: Heads + Fed News lunch at 12-30.
Fin News separate lunch.
Session begins at 2-30.

Wilson now bring us up to date on debt.

Wilson: Not incl to add to P.N. She expressed it.

Countries choose options, leave details to P. C. New approach.

Urgency. Meeting of P. C. in July.
Summit give process momentum.

Many of us have done write offs.

Battel: Balas agrees.

Diff situ re Write off.

97% had is grant.

Write off = congressional problems.

16.

Statenberg: Debt is linked with trade policy.
Unless open mktts to these
countries, all efforts in vain.
Need emphasize LDCs attract
Pte capital.

CLARK

Apologies for slowness.
Language within minutes.
No surprises. Progress made.

2 forms

1. Declaration

E-W

Terrace

Narcotics.

} Need Prodigates
to Sheper language.

ii. Chairman Summary:

Focus on NE

SAT

Cambodia.

Say we have begun discussing on other
regional issues which will continue.

Language ready for lunch.

Amato: Debt

(Countries) Relationship between reducing debt +
their future development - investment.

Require optimum for man. Agree exactly

N.T wording

Palimony:

Bringing up to date re Haiti
Can be discussed at level.

1. PN - Nandy.

Nalsony - Takashita to begin a NIES.

Takeshita : Need for dialogue.
Not an unilateral approach.
Need to take into partnership for
everyone's benefit.

Nalsony : Who else to split?

No volunteers?

PN : General agreement on general payments
Program at N.T.N.

Some things earlier if necessary
on agric, freeze + then reduce
subsidies.

Done & considerable in Europe.
legally binding req.
5 tabulators.

We don't subsidize generally
in a permanent way. But we
do in agriculture.

Specific structure of agric in Europe
cellular farmers. Help them, not
them price, but their specific
means.

Our problem is bigger & bigger share
of more comes from subsidies.

2.

Need bring down subs.

NB: Damage to 3rd World. by own subsidies.

So while recognizing -diffic
- what Europe done
- other problem

freeze subsidies, then reduce.

Recognize difficult to get agreement around this table!

Kohl: No doubt mistakes in CAP. Overproduct but not just in Europe. Putty on brakes. Far reaching decisions in Brussels.

16 h. FRG	} standard £ farm sizes
65 UK.	
170 US	

If we cut back, 1000s of farmers affected. In FRG this yr. some 40K farms abandoned.

Reality figures to show Europe cuts. Objectives achieved in 4-5 yrs.

Can't do it overnight. Takes time. Lost 2 Electors.

3.

Part work together.

As Bergant said, must be in mind
3rd world. Can't write off debts +
then allow them build up other debts.

Reagan: Protection not departed - U.S.
Best weapon is complete freezing
hard in 4 yrs.

Part place muscle behind N.T.O.
Agree reasons to farmers. But believe
can do this without large subsidies.

In US problem can be solved by small
farmers getting 2nd job!

Problem is subsidies to big farmers.
We don't produce more than world can bear,
except in agriculture.

Recalls diversified farms in Illinois of
his boyhood. Self sustaining farm with
cash crop for extras. Should get back to this
system.

I can vote - Protectionism, but if I go too
far, they override me.

Nulogy: We all sinners. What Jesus do?

4.

Takeshita: Jap agric. diff from others.
History of maintaining self-sufficiency.
But ↓ now.

cereals 34%

wheat 14%

vegs 8%

Next - moving to complete liberalisation
Jap largest importer of agric products.

Since '85 have been reducing support prices.

Avg size farm 1.2 ha.
Jap expand as farm size + increase competition.

Agric tied to regional + social ques.⁴

Uruguay road for more than agric.
Type Summit provide imp impetus to NAFTA.

Introduced a PSE as common index. But opposed to
it as inadequate measurement for agric.
Dismissing in Japan possible of not opposing PSE as
measurement.

Baker: Summit not negotiators.
Pt. Negotiators in rt direction.
Agreements at later del ESTC.

Understandable desire for st. steps. But

5.

we want st's consistent with L-T agreement.

So agreement on broad range of issues.

Bongemann. Such a formula could help us.

Start with all measures detrimental
to trade, 'the' may be social
measures left.

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S. Gray

23/7/2016

Native progress in ^{intellectual} property services etc.

De Clercq: Agree J. B.

Summit provides good political
signals. Need avoid

- deep divergence of opinion
clash US & EC

- substance discussion. Not task
of Summit.

We need give good signals

Not pretend EC actions are decisive
But they have been done.

Policies today go in different

6.

directors. Complicates matters.

Diff. of opinion EC/US or emphasis
on S.T. + L.T. measures.

Must deal with immediate problems
without pretending paradise in
10 yrs.

We know there are hot points which
need to be dealt with.
Let us start by freezing
having a standstill
then look progressively to
rollback.

look at problem day by day
put out fire, before building House.
Recalled statements in Ven, Punta
del Este, OECD.

Need signal as close as possible
what already has been said.

Baker. Willy may have answers too. We
can't agree on S.T. steps
until we have agreed commitment
for L.T.

De Clerq: Report to Punta del Este.
News referred to cancellation of
all subsidies.

Baker: P. d. E. called for abolition
of agric distribution period.
We are talking about total
elimination. P. d. E. did not speak
about gradual.

Concludes proceedings

Nulsen: Thought N. T. statement made much
sense.

In all countries we subsidize only
agree for permanent. Don't usually
subsidize inefficiency.

Helmut said - don't commit political suicide
I am not offended by notion of
getting reelected.

Faythorne on S.T. steps consistent
with L. T. agreement.

Neutral must not be platitudes.
Needs specific proposal from the leaders.

Legend.

Palomay : How you see future.

Reagan : Being a future by looking at past.
Recalled site at Nanteballs
+ Compared it with now.

Remarkable renaissance.

Why - the various ^{incentive} micro policies
- closed ^{incentive} coop

heads to reversal of int econ
by reviving mkt.

What are challenges

1. New Tech

2. Full integrate of world mktts.

Was a movie ind - escaped ravages of
depression pty because no protection.

Industry challenged by TV - Emp \downarrow 1/3rd
Govt can't do anything.

Now Emp at old levels in Film ind.

IR 100x prod.

Micro rev increased prod by 1m in
ing tech inds

Globalization of Mkt place.

Label can't prevent it.

Being 75? If erect barriers, mkt find
way around.

Two words: Coop + Flex.

Need put special effort into int. coop.
+ security relationships.

Strong world seem essential for security.
Two countries require immediate attention.

Philippines
Afghanistan

Future belongs to flexible. Travel light.

SEA + US / Car FTA. Step towards
this. Proof of power of flex. is what
happening in Communist countries.

Keep in mind face of person.

Not in history books.

Person who develops dream into business.

Wang processor at new restaurant or
Apple computer corner.

E.P. Doing force. Govt can't help them. Can
only keep out of way. Keep this
dream in mind. Not buy guy.

Recalled Ross who said to telephone "Who
ever buy one"

Notternd : Quoting Condorcet 1792

To offer all humans

to assume each one perfect themselves
to develop talent.

to establish a de facto equality
of citizens

That is first task of instruction

Quote 2: Elie Wiesel

Major problems humanity has
universal + interdep.
Education

Quote 3: Alain (?) Tre Ph early (20
Real try give child high idea
of his pain & back up their 'victories'.
Be sure that what you are.
But how.

+ i To acquire knowledge is at centre. All
knowledge is a factor of human progress.
Knowledge not enough by itself. Factor of
liberation.

+ ii Knowledge is a factor of tech progress. "Visual
tools" we use change in less than 50% (?)
Tech change changes itself. If newspaper
today + yesterday. Must modernize - otherwise
others will be selling you their products

+ iii Knowledge is a factor in economic progress.
More people with knowledge more prosperous will be.
Can't support competition without knowledge.

i. On i, it starts in school. These children start to
acquire = opp. begins time at school + in
education. Need education 3 to 18.
Society what is best equipped in all
disciplines "Permanent Education" - Adult
education

Expect Unw. of Sur. Citizens 65-70
Learn Chinese.

So if we disorganize our disciplines, give
children training allows them go into
industry. Best way avoid; Unemp.
Will cost lot of money. Civilized
countries will spend. Ed Budget a
competitor with Def. Budget. Ed has high
priority. This expenditure
Must have army of researchers to
produce engineers.

Don't know what country decided to give
top priority to ed. Fr. has. Has lagged.

Next Situation we face is:

Opening to the World. UNESCO decided
to fight illiteracy. They functionally illiterate
in France. People have forgotten what learnt.
In Fr. 10 out 100 adults can't read daily
newspaper or mails. Reading of books: $\frac{1}{2}$ Fr
citizens don't read 1 book a year.

3 hrs. Hope everyone are fully literate.

To decrease + to any essential solidarity
Need exchanges - pictures, people, to talk
us.

Capacity to innovate result of education

Hope E.C can continue EX programs.
ERASMUS - ambition to allow student
to centre educate in any country.
Need create bridges of knowledge.

1988 20% Ed of Nat Budget.

Polony: only 7% of total exp in Canada for those with
12 yrs of schooling. i. money diverted for research +
dev in Canada less. Great problems for
budget. Invested for long on natural resources
& neglected human.

Pro Th: Tend to split contrary to best split always
to get debate going.

Agree with you say about knowledge.

of Rutherford - split atom - ant atoms use
Faraday - teach it.

Think can cope with advancing tech, educating
people. Look what firefighters did. Come from
agony like to railways, cars, aircraft, elec etc.
harnessed all these things. They coped.
Not worried by these things.

I find worrying - philosophical + behavioral things.

Rousseau

J. S. Mill. Nature into drawing people,
Univs repositories of knowledge, not wisdom, but
decide. Univs use intellect to reinforce
prejudices.

Recalled visit to Papworth

What really worried about - not just scars,
won't get scars at unless people at
S.B.P. Most of us in youth constrained by
force of circumstances. Not get heart to go for
that constraint to self discipline.

Pity a society problem, Pity human nature.

Don't want open up borders to terrorism

Toronto got low crime. Our standards set by agreement.
How do we get that world. How get our people
look after families as India.

Used to think that if good health, prosperity,
then problems of world solved.

Europe did it all → developed religious
philosophy + technology all done Europe
So we can cope with these things. But can
we cope with crime

Agree with what Ross Pitt said. Can't help
arguing him.

Pitt said. Far anti Russian war.

I say liberty not even a natural state. Only
exists where institutions. Must have code
which not become obsolete.

Agree with PN - Edre is not enough.
Hardly for internal wisdom + self mastery.

Knowledge was argued to group. Abused it -
lead to revs. Knowledge must be in hands of
masses.

Not a passport. But sees a human proletariat
Knowledge is not sufficient for liberation.

In cells 2 felamets ^{retained together} over 3m characters
1m to lay if stored.

Japan understands imp of this. Devotes
enormous sums to research - will copy
pharmaceutical ind.

Prayer.

People all diff. Free same educat
but diff results.

Cited Boat people. 10 Yrs after in boat
- not know language - scholarly @ Harvard
Dartmouth Univ. Had School studying for Dr.
offer educat to all. But recognize
freedom of individual to make choices to
do what what will educt.

Reply: Unique discussion for suits.

Tues A.M.

Do you read me OK?

Photographers have kept
About to start.

Para	1	OK
	2	OK
	3	OK
	4	OK
	5	

Amato - Sentence 2 / Employment continued to expand
too optimistic for Italy
add " to a different degree
in the various cultures

Nulsony: Generally OK.

Para	5.	OK
	6	OK
	7	

PN: Concerns implementation.

add "We need maintain vigilance
against any resurgence of implementation."
after "will continue..."

Agreed
Para 7 OK.

Para	8	OK
	9	"
	10	"
	11	"
	12	# OK

Mitterand: seems to object to French text of
12 OK.

Para	13	OK
	14	OK
	15	

PN says warmly FT ... and the
steady progress ...
so warmly welcome to both sides of
Atlantic! + strongly

Nulroy: Prefers strongly
in French area ground
satisfactor

Agreed.

Nulroy add catalyze after and
in penultimate line of 15
Agreed

Agreed 16
" 17

Para 18.

Nuloney draws attention to []s. Rest of § agreed?

Wilson: 1st bracket from E.C.
2nd " from agreed by Fin Ministers, tho Willy de C not there. Native to give clear signal to negotiators.

J. Baker preferred "commitment" but adjusted in language below. Fin Min talked of "abolition of trade restrictions." last night language softened.

Willy de C objected to me that it singled out Agric. Perhaps redraft + put in §19

de Clercy: Paper first []
Short, clear concise sentence + well balanced

2nd set of [] is unbalanced.
Not effect Pantar.

Not agree with Pantar
Why single out agriculture. Pantar was global.

So used more balanced text.

Nulany: Not intention to isolate agric.

Wilson: That can move ref to discussions to §19 + deal with it about singling out agric.

Agreed must have S. T. measures + take them in context of L. T.
That it is consistent with Punta:
We need to give sense of direction.

Brenyua: We can agree to avoidy distorting measures. Dealt with in 19.
Netherlands [] in 18 acceptable.
All is found already in 19.

Nitterand: Written in language I don't know.
Double Dutch. Don't 1/5 what
is here. So vote against both.

Tohl: 1/5 Franconis objections.
But agree first sentence of §.
Accept first set of [].
Sacrificed in Brussels. Canada + US
should realize this.
Not accept trial [].

PN: Apart from debt sentences, this is
heart of compromise.

Q: is simple: Are we prepared to
take more action / further steps
to reform agric?

Ans: Yes.

Agric is different, but only because
we have made it so.

Had hoped

Agree, Wally first sentence clear
Passive sentence.
Dont internal do anything.

Next sentence:

US have dropped reference to L.T
goal of abolition. Dropped its
specific commitment.

We must actively work towards
our goal.

Actively, commitment, work
towards - 'They are words.

Insert "inter alia" before reduction

Feel press reaction - Bad press for Europe.

Thought Helmut yesterday said
further action.

Europe still above US in PSE.

PA.

Reagan:

Associate with PN.

Can see press summation - We failed on the real thing.

We are paying people worldwide to produce something for which there is no mkt.

Hohl:

Don't u/s discuss.

(Walt
Smarter)

Agree should have been done 10 yrs ago.
We have taken shocking steps.

Got to think of people.

Fantastic task before us. If we go ~~too~~
good too fast, SEN by '92 may be jeopardized.

There is a story to tell press.

Must not be driven by press.

Absolutely decided to bring down
agric prodn.

Has had effect on his votes in
elections.

Please, please reflect. Not do it
overnight.

Perhaps replace 1st [] & tighten up.
But opposed to 2nd [].

PN:

Helmuth might find it easier if sentence
recognizing Europe's steps +
then give commitment to move issue
forward

What Europe has done is considerable.

Say prepared to negotiate L.T. framework

Nulogy: Reminding Heads of what is said
in 12 which recognizes what Europe has
done.

Andreotti: supports Kohl Agree 1st []
Reference to "steps forward" is in
there already.
And who is saying there are distortive
measures? This will create
contentious problems
Second [] vague in that it does not
establish what distortions are.

Willy First [] not drafted in neg. spirit.
Punta del Este is our bible. +
Venice has referred to it.

What?

Willy is drafting in French + English.
All is confusion!
Willy is preparing his own text.

Stollenberg: Could we express in more
concrete terms what we mean by
L.T. objective - reduction + abolition of

subsidies.

Willy: Our L.T. objective is phased reduction of all negative effects on agri. trade. In Punta
Punta does not refer to abolition. - but phased reduction.

PN: But who does it mean.
Phased reduction of all support + protection?

Willy: In Punta try to avoid everyone looking to Cty + its subsidies. I have agreed to consider all subsidies. Cty not want to be scapegoat.

Mulroy: No one wants to single out agri or make Europe a scapegoat.

Baker: Our LT was total elimination of trade distortion practices. Remus our proposal, but we are saying forget about 2000.
We can't equate L.T. objective with S.T. steps.
So we have come back on date + refer only to trade distortion.

Dequer: Preparing a redraft

ST measures should be consistent
with L-T objectives
as a step forward
so numbers can at NTR take
decisions on reductions

Will now be typed up. There is some
uncertainty what it says.

Dehors: City agrees to fight \downarrow overproduction
Began in 1984 with milk quotas.
But we cannot go faster
Need to take \approx diversity of Europe agric.
Describe size of City agric.
If you cannot understand this, we
should put in disagreed text.
We have words to produce to make 1st []
clearer + meet PN's pts.
And at N.T.R. we must proceed
with all subjects.
Will have words typed.
~~Need to be step forward~~

Wilson: Can we work thought about trade
destructive policies at text.

Wills: Yes, if stick to Punta words.

Helmut: I want to see the text.

Can Willy + Wilson put together a text.
of 2 sentences + we look at other parts.

Mulroy: Agreed.

Reagan: We are reducing our subs.

By \$196 in our budgets.

Suggests use subsidy to help farmers
relocate, train.

Debars: Already doing what R-R says.

So § 18 + 19 in abeyance.

P. A.: Are we being excluded

Kohl: Explus

POA OK.

§ 20 agreed

21 "

Mulroy

Para 22. has []

We need see Philippines gets help.

Security position. Commit element

in the treaty. Security for all of us

that P becomes a democracy

So pl remove []

N.H.

But so many centres in this position. Why not mention them?

Brazil

Haiti where we'd show our disapproval.

Why mention P. when so many strategic situations are here.

If want a special § on some particular centres, will add names.

Andreotti: Seen mention of special plan for P. Nostradino even discussed its name when she visited us - Nini Marshall.

But all there is, is this mouse.

Perhaps better have special § on P. in diff. situ - something has to be done.

We willing to add to our plans for P. Great political mistake if not mention P.

Reagan: P in strategic position.

Sea lanes

Soviet base - we built - in Vietnam nearby.

Furnoy's getting stronger. Could menace bases.

Need show P. we are concerned

Nitt: In prep. of Summit, no mention of P.
Fr. has no commitment or involvement
with P.

Fr is not committed.

Fr is still an independent country.

Not willing to discuss without warning.

No in NATO area.

Fr cannot accept text.

Uno: At For Nin Meeting in response to Genscher
I spoke of P. All Asean ministers
spoke in 1 voice - dangers so great
need provide assistance.

We also spoke of Han Ran Bay.

For Ministers agreed P to be mentioned
in Econ Declaration.

Imp for Japan.

Andreotti: Believe Plan has been suggested by
US. Is it poss. to have a special
§ or lines

"As sign of co which needs strong
general solidarity from int Ctry,
we point out P."

Stoltenberg: Having listened to discussion, text

does not merit our controversy.

Text says rally or special aid.
If we are talking about aid, we need
new text; and then need mention other
countries. Would get approached by
other friendly countries if they are not
mentioned.

Reagan: Agree making too much of this.
Drops P going over to Soviet.

Mulroy: Could we add
among others after P.

Nitt: Not accept.

Clark: There is no plan; nor is it
intended to attract your signatures

Suggest sep §: No sentence

"In part we there is a need to
encourage countries, P among others, which
is making definite transition to democracy"

Hohl: Accept, but ? mention other countries

P.N.: Says she agrees

Jay: Agree.

De Rita: Says Pitt's and's objection

Should have been warned.

But it is \S to which we attribute
great inj.

This only is not unique, but it is
an exception. A + sign of encouragement
would be consistent with all what
said.

Adopt \S + remove [] + justify for
it in the entire reasoning of our
discussion.

Pitt: But I cannot \forall s why P. is special
case. Some reasons apply to Argentina
but we see sentence

Nalray: Sentence

As an example, there is a need
to encourage countries such as P
among others which are living
through a difficult transition to democracy

Jay: Seems to agree.

Clark. Sentence again:

~~As an example,~~
In particular, there is need to
encourage countries like P, among
others which are making the
diffic transition to democracy
& which merit our special attention.
Agreed

Fr. Can't accept [For Ministers to discuss.]

Clark. Can't we say
"Some of us"

Nitt: No, I am involved
Clark will draft

Par 23. Agreed

24 "

25 "

26 ? "

27 "

28 "

~~Fr. Can't accept this.~~

Clark Pen 29 Agreed.

30

N.L.: That reflects our discussions of Five Plus.
One of few concrete decisions

Baker: Objected to removal of or budgeting.

N.L. Explains in accuracy in last sentence
Some countries done worse than I.

Baker: Also add + "encourage countries with
high growth element"

Can't accept that we in default.

N.L. " Add another sentence

He: We also urge countries to maintain a high
growth element in their future assistance
to the poorest "

Baker: Fine.

All agreed.

Ch: Drops first amendment - Baker laughs.

Annals. Objects to lines Govt.
Don't allow us to combine.

~~Don't~~
Deep in the labyrinth of Italian
finance.

N.C.: Thought had met I.T. Pts.
We need clear steer to Paris CL.
Put in "usually" before shorter mentions

OK.

§ 31 OK.
32 OK
33

Gausches: Want mention N. Sea.

PN: But we have not mentioned N. Sea.
Rhine comes in
clear up Rhine:

N.L. But it is included - water is N.S.

Refer to sea

air, sea tower pollution.
33 OK
34 OK.

Agriculture

Wilson: Try to blend 2 routes.

B. Bakas has 1 concern.

Bales: Thinks "taking into consideration ..." excuse for inaction.

On whole, that step back.
But accept it if taking into consideration is removed.

Kohl: It is a compromise.

Berenguer: Poss basis for agreement
It is a compromise

Bales: We were not party to compromise.
It goes in wrong direction.
Prefer 1st []

Mulroy: To move issue forward, our negotiators ...

After all it is given our situations are different

Kohl: No.

AN: We could accept ... " " " " " "
Could we say +, noting the diversity ...
diversity is a fact

Behors: say + " + given . . . "

" Given " seems acceptable, but will
US buy it?

Babel: Can accept "noting ^{among other things} in."

Agreed

Tap: Proper 30.

delete ex tempore
" otherwise remove the burden "

OK. Agreed.

Only Philippines is outstanding.

Talked to: Asking, not part of plenary, to cooperate
in making Seoul Olympics a success.