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[Toronto],06/19/1988-06/20/1988)
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UNCLASSIFIED
ACTION DATA SUMMARY REPORT

RECORD ID: 8804273

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001 DANZANSKY
002 STEVENS
003

Z 88061009 MEMO STEVENS TO BLAKEYS/DAWSON
Z 88061307 FOR SIGNATURE
X 88061309 PERITO SGD MEMO

**National Security Council
The White House**

88 JUN 10 P 7: 03

System # I
 Package # 4273
 DOCLOG mc AIO

	SEQUENCE TO	HAS SEEN	DISPOSITION
Bob Perito	<u>1</u>	<u>Perito</u>	<u>A</u>
Marybel Batjer			
Paul Stevens	<u>2</u>	<u>✓</u>	
John Negroponte			
Colin Powell			
Paul Stevens			
Situation Room			
West Wing Desk	<u>3</u>	<u>mc 6/10</u>	<u>D</u>
NSC Secretariat	<u>4</u>		<u>N</u>

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

cc: VP Baker Other _____

COMMENTS Should be seen by: _____
 (Date/Time)



WHITE HOUSE STAFFING MEMORANDUM

DATE: 6/9/88 ACTION/CONCURRENCE/COMMENT DUE BY: 5:00 6/10/88

SUBJECT: TORONTO ECONOMIC SUMMIT

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HOBBS	<input type="checkbox"/>	<input type="checkbox"/>
BAKER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HOOLEY	<input type="checkbox"/>	<input type="checkbox"/>
DUBERSTEIN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	KRANOWITZ	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MILLER - OMB	<input checked="" type="checkbox"/>	<input type="checkbox"/>	POWELL	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BAUER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RANGE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CRIBB	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RISQUE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CRIPPEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RYAN	<input type="checkbox"/>	<input type="checkbox"/>
CULVAHOUSE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPRINKEL	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DAWSON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	TUTTLE	<input type="checkbox"/>	<input type="checkbox"/>
DONATELLI	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>BLAKEY</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
GRISCOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please provide your comments/recommendations directly to Marion Blakey's office with an info copy to my office by 5:00 Friday, June 10. Thank you.

RESPONSE:

TO: MARION BLAKEY

June 10, 1988

The NSC staff recommends the changes noted on the attached White House Issue Brief on the Toronto Economic Summit.

Robert M. Stevens
Paul Schott Stevens
Executive Secretary

Rhett Dawson
Ext. 2702

cc: Rhett Dawson

TORONTO ECONOMIC SUMMIT

President Reagan will participate in his eighth Economic Summit June 19-21 when he meets in Toronto with other leaders of the free world's seven major industrialized nations. In addition to the U.S., those nations are Japan, West Germany, France, the United Kingdom, Italy and Canada. The European Community will also be represented at the Toronto Summit.

MAJOR U.S. THEMES

President Reagan will pursue three major themes at the Summit, which is the 14th between the free world's economic powers.

1. The Past Eight Years: Free Markets and Open Societies

There is increasing awareness that free markets and open societies are the only ways to promote economic growth and development. State planning, intervention and control do not work. Over the past eight years, countries with free economies and open societies have had high rates of growth. The United States has been in the forefront in promoting democracy and economic freedom around the world.

2. International Cooperation and Shared Responsibilities:

Consultation and coordination among Summit participants, as well as nations that are members of the General Agreement on Tariffs and Trade (GATT) and the North Atlantic Treaty Organization (NATO), have successfully dealt with economic problems and threats to security. The United States supports this approach of shared responsibilities.

3. A Look Ahead: Removing Barriers

The Organization for Economic Cooperation and Development (OECD)

The future belongs to the flexible, to nations that take advantage of the free exchange of ideas, goods and services. The U.S. expects the Toronto Summit to give a major political push to removing barriers ~~in agriculture, trade~~ and services.

the Uruguay Round ~~is~~ to ~~the~~ international flow of goods

ECONOMIC GROWTH AMONG SUMMIT PARTICIPANTS

- o Since 1981, summits have helped set out a market-oriented strategy to bring down inflation and promote recovery and economic growth.

- o The seven summit nations have cooperated on economic policy; resisted protectionism; launched a new round of trade negotiations; and established a ^{State Dept - 124 - 1122} global strategy to deal with the debt of developing countries.
- o For each country attending the Toronto Summit, the rate of growth in goods and services produced was significantly higher in 1987 than in 1981.
- o The table below reports growth rates in real gross national product (GNP) for the United States and Japan, and in gross domestic product (GDP) for the other countries. GDP reports production but excludes investment income.

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THE SUMMIT ISSUES

A number of specific issues are expected to arise during the Summit. Here is the U.S. position on these issues:

Coordinating Economic Policy

- o President Reagan believes in coordinating economic policies of the major industrial countries to promote a stronger world economy and a more stable financial system. The focus must not only be on exchange rates, but on whether the world economy is open and growing. Through peer pressure, nations can encourage corrective action by those with excessive trade surpluses or deficits.
- o Progress in coordination is being made:
 - At the Tokyo (1986) and Venice (1987) Summits the seven nations decided to make increased use of economic indicators to survey the economy, and agreed on economic goals for the future.

- In October 1987, the benefits of increased coordination were demonstrated during the decline in the stock market. A worldwide financial panic was avoided.
- o In part, the President favors:
 - Assurance that countries with a trade surplus (particularly the Federal Republic of Germany and Japan) will continue to improve their growth and reduce trade imbalances.
 - Reduction of our own budget deficit. In fiscal year 1987, the U.S. reduced its budget deficit by \$71 billion, from \$221 billion to \$150 billion. Under the President's proposed budget for FY 1989, the deficit would decline to \$23 billion by FY 1993.
 - Stable exchange rates. Excessive fluctuation of those rates, or a dramatic change in the value of the dollar, could damage the prospect for growth in the world economy.
 - A new index for commodity prices that would include the price of gold as well as other commodities such as wheat and oil. This would be an additional instrument with which to examine global price trends.
 - A review of ~~tax reform~~ ^{structural issues} among the nations ^{eg. tax reform} as well as measures to reduce government interference in markets, including financial markets, and deregulation. The U.S. also favors reductions in subsidies to agriculture and other industries, and steps to make labor more mobile.

Agriculture

- o The goal of the Reagan Administration is the eventual elimination of all subsidies and import restrictions to allow all farmers to compete on a level playing field. ~~without the subsidies now required.~~ ^{Assistance to farmers, de-linked to production and prices will be allowed.}
- o The Administration has asked the 95 members of GATT to phase out over 10 years all agricultural subsidies which directly or indirectly distort trade. Long-term goals for reform of agriculture worldwide should be completed by the mid-term review of the GATT Uruguay Round in December 1988.

International Trade

- o The Toronto Summit should reaffirm its opposition to protectionist trading measures ~~that promote high tariffs.~~ ^{and give priority to non-tariff measures} In 1930, the average ~~tariff on manufactured goods was 50 percent.~~ ^{The average tariff on manufactured goods was 50 percent.} Today it is about 5 percent. ^{complete}

to that end progress at the Round's December, 1988 mid-term review is essential.

As well as 1990.

- o Summit participants should discuss how other nations, including the ~~Newly Industrialized Countries~~ (NICs) can contribute to a more prosperous world. *economies*

International Debt

- o By the end of 1987, Third World countries were \$1.2 trillion in debt, more than twice their 1979 debt. The U.S. believes economic growth is the key to restoring the credit of those debtor nations.
- o At the Venice Summit in 1987, participants encouraged efforts by commercial banks and debtor countries to develop a "menu" of financing options to help debtor nations reform their economies. The U.S. supports the case-by-case menu approach.
- o Substantial progress has been made since the Venice Summit:
 - ? -- Brazil ~~and Mexico~~ ~~[which could] have [renounced their debts, instead]~~ agreed to reschedule ~~their~~ obligations.
 - Eight of the 15 major debtor nations achieved growth of 4 percent to 5 percent in 1987. Only three countries achieved that in 1986. Debt service and the ratio of debt to interest has fallen by at least one-fourth since 1982.
- o Summit countries that can do so should provide interest-rate concessions to countries with low incomes and heavy debts and reschedule those debts. (The U.S. cannot provide interest rates below the cost of funds for policy and budgetary reasons.)

Other Topics

Among other topics that could be discussed at the Toronto Summit are these: East-West economic relations and implications for allied security; regional issues; cooperation against terrorism; ~~drugs~~; and the environment.

narcotics

The U.S. is willing to support a differentiated approach for the poorest countries. Creditor countries in a position to do so could provide - on a case by case basis - interest rate concessions. Other countries might consider a broader range of maturities.



NATIONAL SECURITY COUNCIL EXECUTIVE SECRETARY REFERRAL

TIME STAMP

88 JUN 10 A 8: 49

SYSTEM I LOG NUMBER: 4273

(FIRST DRAFT OF REMARKS)

ACTION OFFICER: DANZANSKY *OK* DUE: 3:00PM, 10 JUN

- Prepare Memo Stevens to Dawson
- Prepare Memo Stevens to Dolan
- Prepare Memo Stevens to BLAKEYS W/ INFO DAWSON
- Prepare Memo _____ to _____

URGENT

*** PUT RESPECTIVE STAFF OFFICER'S NAME IN MARGIN BESIDE CHANGES.

CONCURRENCES/COMMENTS* DUE: IMMEDIATELY

*PHONE to action officer at ext. 3622

- | | | |
|--|---|--|
| <p>FYI</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Batjer <input type="checkbox"/> Bemis <input type="checkbox"/> Brooks <input type="checkbox"/> Burns <input type="checkbox"/> Childress <input checked="" type="checkbox"/> Cobb <i>concur</i> <input type="checkbox"/> Cockell <input type="checkbox"/> Cohen <input type="checkbox"/> Collins <input type="checkbox"/> Danzansky <input type="checkbox"/> Dean <input type="checkbox"/> Dekok <input type="checkbox"/> Donley <input type="checkbox"/> Douglass <input type="checkbox"/> Ermarth <input type="checkbox"/> Farrar <input type="checkbox"/> Flower <input type="checkbox"/> Fortier <input type="checkbox"/> Frazier <input type="checkbox"/> Grimes | <p>FYI</p> <ul style="list-style-type: none"> <input type="checkbox"/> Heiser <input type="checkbox"/> Henhoeffer <input type="checkbox"/> Herbst <input type="checkbox"/> Howard <input type="checkbox"/> Howland <input type="checkbox"/> Jameson <input type="checkbox"/> Jenkins <input type="checkbox"/> Kelly, B. <input type="checkbox"/> Kelly, J. <input type="checkbox"/> Kimberling <input type="checkbox"/> Kissell <input checked="" type="checkbox"/> Ledsky <input type="checkbox"/> Lewis <input type="checkbox"/> Linhard <input type="checkbox"/> Mahley <input type="checkbox"/> Matthews <input type="checkbox"/> McNamara <input type="checkbox"/> Melby <input type="checkbox"/> Miskel <input type="checkbox"/> Oakley | <p>FYI</p> <ul style="list-style-type: none"> <input type="checkbox"/> Paal <input type="checkbox"/> Perina <input type="checkbox"/> Porter <input type="checkbox"/> Reger <input checked="" type="checkbox"/> Rodman <i>concur</i> <input type="checkbox"/> Rosenberg <input type="checkbox"/> Ross <input type="checkbox"/> Rostow <input type="checkbox"/> Saunders <input type="checkbox"/> Scharfen <input type="checkbox"/> Snider <input type="checkbox"/> Sorzano <input type="checkbox"/> Steiner <input type="checkbox"/> Tahir-Kheli <input type="checkbox"/> Tarbell <input type="checkbox"/> Tice <input type="checkbox"/> Tillman <input type="checkbox"/> Tobey <input checked="" type="checkbox"/> CURTIN <i>concur</i> <input type="checkbox"/> _____ |
|--|---|--|

- INFORMATION
- Stevens
 - Powell (advance)
 - Courtney PERITO
 - Negroponete (advance)
 - Exec. Sec. Desk
 - Secretariat

Logged By AL

Return to Secretariat

F0006-13

WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

- O - OUTGOING
- H - INTERNAL
- I - INCOMING

Date Correspondence Received (YY/MM/DD) / /



Name of Correspondent: Rhett Dawson

MI Mail Report User Codes: (A) (B) (C)

Subject: Toronto Economic Summit

ROUTE TO:	ACTION	DISPOSITION
Office/Agency (Staff Name)	Action Code	Type of Response
	Tracking Date YY/MM/DD	Completion Date YY/MM/DD
cuhol1	ORIGINATOR	@ 88, 06, 10 RD
cuat (24)	R	@ 88, 06, 10 RD
	Referral Note: Jun 10 88 CDM memo to Marion Blakey	

- ACTION CODES:**
- A - Appropriate Action
 - C - Comment/Recommendation
 - D - Draft Response
 - F - Furnish Fact Sheet to be used as Enclosure
 - I - Info Copy Only/No Action Necessary
 - R - Direct Reply w/Copy
 - S - For Signature
 - X - Interim Reply
- DISPOSITION CODES:**
- A - Answered
 - B - Non-Special Referral
 - C - Completed
 - S - Suspended
- FOR OUTGOING CORRESPONDENCE:**
- Type of Response = Initials of Signer
 - Code = "A"
 - Completion Date = Date of Outgoing

Comments: Reply to Marion Blakey with a copy to Rhett Dawson

Keep this worksheet attached to the original incoming letter.
 Send all routing updates to Central Reference (Room 75, OEOB).
 Always return completed correspondence record to Central Files.
 Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents: _____ Media: _____ Individual Codes: _____

Prime Subject Code: _____ Secondary Subject Codes: _____

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C	_____	Time: _____	P- _____
DSP	_____	Time: _____	Media: _____

SIGNATURE CODES:

- CPn - Presidential Correspondence**
- n - 0 - Unknown
- n - 1 - Ronald Wilson Reagan
- n - 2 - Ronald Reagan
- n - 3 - Ron
- n - 4 - Dutch
- n - 5 - Ron Reagan
- n - 6 - Ronald
- n - 7 - Ronnie

- CLn - First Lady's Correspondence**
- n - 0 - Unknown
- n - 1 - Nancy Reagan
- n - 2 - Nancy
- n - 3 - Mrs. Ronald Reagan

- CBn - Presidential & First Lady's Correspondence**
- n - 1 - Ronald Reagan - Nancy Reagan
- n - 2 - Ron - Nancy

MEDIA CODES:

- B - Box/package
- C - Copy
- D - Official document
- G - Message
- H - Handcarried
- L - Letter
- M - Mailgram
- O - Memo
- P - Photo
- R - Report
- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study

THE WHITE HOUSE

WASHINGTON

June 10, 1988

MEMORANDUM FOR MARION C. BLAKEY

SPECIAL ASSISTANT TO THE PRESIDENT AND
DIRECTOR OF PUBLIC AFFAIRS

FROM:

C. DEAN MCGRATH, JR. *CDM*
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT:

Toronto Economic Summit: White House Issue Brief

Counsel's office has reviewed the above-referenced White House Issue Brief, and we have no legal objection to its issuance.

WHITE HOUSE STAFFING MEMORANDUM

DATE: 6/9/88

ACTION/CONCURRENCE/COMMENT DUE BY: 5:00 6/10/88

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	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HOBBS	<input type="checkbox"/>	<input type="checkbox"/>
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DUBERSTEIN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	KRANOWITZ	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MILLER - OMB	<input checked="" type="checkbox"/>	<input type="checkbox"/>	POWELL	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BAUER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RANGE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CRIBB	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RISQUE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CRIPPEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RYAN	<input type="checkbox"/>	<input type="checkbox"/>
CULVAHOUSE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPRINKEL	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DAWSON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	TUTTLE	<input type="checkbox"/>	<input type="checkbox"/>
DONATELLI	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>BLAKEY</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
GRISCOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

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