

~~AD~~

- ① General Discussion
- Subs. Att. ② Growth Employment, Inflation.
- PA ③ Int'l. Monetary Relations
- ④ Energy
- Doody ⑤ Trade & Protectionism
- ⑥ Developing Countries
- ⑦ Joint Cycle.

#L.R. ① Need for Agreement; ^{50% of world trade} specific individual commitment; ^{unemployment = pessimism} Protectionism = pessimism.
 Sum is greater than parts: Oil price by 1980 = world price.

J.C. Goal. Tone & Specific Commitments: Oil price by 1980 = world price.
 GdE. } Need for clear analysis of countries
 } Underlying problem is unemployment (esp. youth)
 } And the Developing Countries.
Oil Prices. || Need to take steps now - late summer because lead time is 6-9 months.

Roberts Need to tell long term at next summit eg, work on post petroleum future.

Andreotti These decisions keep public understanding of interdependence
 Should have a political aim

Thurman We may advance in small steps.

Are we at the end of a phase?

H.S. Not sure about long term ^{end of phase is} inflation & unemployment = Oil
 Price explosion = B.O.P. problem = unstable exchange rates. ①: account inflation

Listed ^{with} concern to J.C. on oil prices up to 1980! If oil prices go up:
 if D. East situation is adverse - consequences could be catastrophic.

Spending 0.5% of GNP to support coal. [U.K. is fortunate]

④ Objective To make our countries less dependent on oil

⑤ Need to open our markets to L.D.C., & to seek other

⑥ Growth ~~will~~ do away with our surpluses.
 Have to re-orient Germany industry - want sell more cars or ships!

Rombrillet
 Puerto Rico
 London
~~London~~ Bonn.

#16

HS We have Constitutional difficulties -
We will contribute to Package Deal if anyone else will.

R.J. If our economy had been healthy we should have recovered from oil price increases by now: but agree with Trudeau that there are changes in structure [ships steel etc.]

Fukuda Single most important aim is to reduce surplus by increasing imports.

∴ we must expand internal demand - aim at 7%
Will take addnl. measures from end August if necessary.
Our prices are stable but there is inflation in our markets: We will maintain volume - for first time in history: wish us to be equally serious about inflation. Aid to be drilled in 3 years - needs course

J.C. Biggest goal is to reduce oil imports: encourage production: & also develop coal.
Prepared to make specific commitments.

HS Need similar gesture from other participants to go to Constitutional Court & to Ministers. If so I will:-

Annex to work

As contribution to reduce world wide disequilibrium FRG selects
all int addnl. measures to strengthen demand & reverse demand & worth of support - HS.
economic benefit to legislature in the (coming Autumn).

Gd'E. Appreciate Japanese precise figures: but ^{FRG} must be more precise
Will accept 1/2% on G.D.P.

J.C. Will be more specific on goals as distinct from techniques.
Let our Aides negotiate. → Dates & goals

Energy L.R. shd. price needs to be ~~at~~ large or smaller at regional level

HS Will be stubborn in insisting on our rights on supply. Don't wish to become dependent on USSR! Horn of Africa & Soviet Union.

JC, Gd'E position has not changed since London. NPT. every country shd. use Nuclear Power shd. voluntarily accept ~~it~~ right ~~if~~ ^{if} France or Germany says we can't cooperate ~~we~~ that way create a problem in the future but I can't change American law. No objection to Breeder Reactors: I have 2 years to supply provided technologies are given.

Gd'E. Xlarge difficulties in Europe have lessened growth (as against U.S. & Japan) Personal view.

Don't - NE. ~~US & Japan~~ Need for success in equalising growth & inflation + Bal. differences
~~US & Japan~~ drift of interests
Much work to be done for a satisfactory scheme
This is not the place to discuss the profound differences in emphases.

Embudo main problem is stability of \$ = failure to achieve Japan's growth rate.

JC. ① Want stable Europe
② Some concerns; be kept aware
How will reserve fund be used?
Do not accept this

Speculators
Can we beat the market in short term?

RJ. Gd'E. HS. ~~not~~ ^{not} ~~against~~ ^{against} \$ = sympathy. NOT constrain growth.

② Fundamental. Fluctuations are not liked by Industry & Commerce

will not remove problems unless we import so much from outside EEC.

62% outside EEC
Imports as % of GDP.
USA 9%
UK.

Will continue to higher rates of growth

Share of trade outside EEC.

Don't put this in final type - Inform

18 U.S. firmly committed to export programme

Increase Exports thro' expansion of domestic demand
Temporary quantitative step of limiting exports
at a level 7)
Up to 1 1/2% of GNP.

We will work for greater discipline in the use
of subsidies so that they do not distort
the normal flow of world trade