

THE WHITE HOUSE  
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Final Session of the 16th Economic Summit  
of Industrialized Nations (U)

PARTICIPANTS: George Bush, President of the United States  
James A. Baker, Secretary of State  
Nicholas F. Brady, Secretary of the Treasury  
Richard McCormack, Under Secretary of State  
for Economic and Agricultural Affairs

Francois Mitterrand, President of the French  
Republic  
Roland Dumas, Minister of Foreign Affairs  
Pierre Bérégovoy, Minister of Economy,  
Finance and Budget  
Jacques Attali, Special Counsellor to the  
President of the French Republic

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PER E.O. 12958,  
AS AMENDED  
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Margaret Thatcher, Prime Minister of the  
United Kingdom  
Douglas Hurd, Secretary of State for Foreign  
and Commonwealth Affairs  
John Major, Chancellor of the Exchequer  
Nigel L. Wicks, Second Permanent Secretary  
to the Treasury

Helmut Kohl, Chancellor of the Federal  
Republic of Germany  
Hans-Dietrich Genscher, Vice Chancellor and  
Federal Minister for Foreign Affairs  
Theo Waigel, Federal Minister of Finance  
Horst Kohler, State Secretary, Ministry of  
Finance

Brian Mulroney, Prime Minister of Canada  
Joseph Clark, Secretary of State for External  
Affairs  
Michael Holcombe Wilson, Minister of Finance  
Derek Burney, Ambassador to the United States

Gullio Andreotti, President of the Council of  
Ministers of Italy  
Gianni De Michelis, Minister of Foreign  
Affairs

Guido Carli, Minister of the Treasury  
Umberto Vattani, Diplomatic Counsellor to the  
Prime Minister

Toshiki Kaifu, Prime Minister of Japan  
Taro Nakayama, Minister for Foreign Affairs  
Ryutaro Hashimoto, Minister of Finance  
Koji Watanabe, Vice Minister of  
Foreign Affairs

Jacques Delors, President of the Commission  
of the European Communities  
Frans Andriessen, Vice President of the  
Commission of the European Communities for  
External Relations  
Henning Christophersen, Vice President of the  
Commission of the European Communities for  
Economic and Financial Affairs  
Pascal Lamy, Chief of Staff to the President

DATE, TIME

AND PLACE:

Wednesday, July 11, 1990, 9:08 a.m.-9:35 a.m.  
Herring Hall, Rice University  
Houston, Texas

The President: Let me welcome you all to the final session. We owe a vote of thanks to the Sherpas who worked until 4:00 a.m. There are only two brackets left. The spirit of compromise has prevailed. I hope that nobody feels that their own national interest has been too badly dented. (U)

There seems to be a good feeling about the outcome. Let's have a brief discussion of the two brackets after we talk about the day's schedule. (U)

I suggest that after we complete our work we stay at our the holding rooms and then leave hall here at 11:10. If we finish earlier, then we can get the document printed and get through an hour earlier than planned. (U)

Any questions on logistics by anyone? At the press conference, I plan to summarize the communique, rather than read it in its entirety. Any questions? (U)

Chancellor Kohl: Could we fly away one hour earlier? (U)

The President: Yes, if we finish an hour earlier here. The two remaining issues in brackets are paragraphs 67 and 72. (U)

The first issue is whether communique should read "convention" or "agreement." Chancellor Kohl's concern about forests has prompted me to offer the forest convention idea. I want to have a convention -- a free standing convention. (U)

In paragraph 72, we support a greater role for the World Bank on environment. We differ on the idea of a separate facility which could duplicate existing facilities. There is a serious management and accountability issue. The global fund would be a public relations plus, but a bureaucratic minus. I would like Secretary Brady to speak. (U)

Secretary Brady: I support the President's arguments. We have pressed the World Bank to do more on the environment. A global facility will only cause confusion inside the Bank. Another facility for Congress would be difficult to swallow at this point from a funding point of view. There is ample money now available inside the World Bank, and we don't need another facility. (U)

The President: Who wants to speak? (U)

Prime Minister Andreotti: It seems to me that to the extent that this is legal terminology, we could use the word negotiation rather than convention. That would mean negotiation on a world commitment on forests. From a political vantage point, this has advantages. (U)

The President: That relates to paragraph 67. The interpreters need a copy of the draft text. (U)

Prime Minister Thatcher: Mr. President, I think the easiest way of doing this is to say "a convention or agreement" as a way of solving the bracketed text. (U)

The President: I accept the Prime Minister's suggestion. (U)

Prime Minister Thatcher: On 72, it is wrong to compartmentalize the World Bank funding. I want to delete the global environmental facility. (U)

The President: I accept that idea. Prime Minister Andreotti? (U)

Prime Minister Andreotti: No problem. I only want to avoid a delay. (U)

The President: We have a deal. We will be ready to leave here at 11:00. (U)

The President: Does anyone want to talk about something else?

Prime Minister Thatcher: I would like to use the free time to study the communique to prepare for press conferences. (U)

The President: I accept your idea. (U)

Prime Minister Thatcher: Thank you for your fine chairmanship. This is a wonderful communique, one of the best we have achieved. Thanks also to Houston and its people. (U)

(applause for her words)

Unknown Speaker: I agree with Prime Minister Thatcher's remarks. We all had a fine time here in Houston. The spirit of consensus has triumphed here. This positive attitude will be a key for the future in solving problems. (U)

The President: I am prepared to receive anyone who wants to have a bilateral conference upstairs later. (U)

Prime Minister Kaifu: I want to thank President Bush for his contribution and hospitality. (U)

-- End of Conversation --