

ITALY

Prime Minister (President of the Council)

Amintore Fanfani

Mr. Amintore Fanfani was born in Tuscany in 1908. He has a Master's degree in economics and was a university professor of Economic History. He was an intellectual of the French Personalist movement between the two World Wars.

He became a Minister for the first time in 1947 and has been Prime Minister several times since then (he formed his first government in 1954). In 1958 he was his country's most influential politician, fulfilling simultaneously the duties of Secretary of the Christian Democrats, President of the Council and Foreign Minister. In the 1960s, he became known for his work to open up the Centre-Left. He has been appointed Senator for life, and before his recent appointment as President of the Council, he was Speaker of the Senate. The important duties assigned to him in recent decades have elevated him to a place of leadership in the Centrist political formation.

Mr. Fanfani was also elected President of the 20th General Assembly of the UN in 1965. During his fifth term as Prime Minister he attended the Williamsburg Summit of 1983. He has numerous publications to his credit, some of which have been translated. Mr. Fanfani has also been awarded honorary doctorates, including one from Laurentian University of Sudbury in 1981.

The Venice Summit will mark the second time Mr. Fanfani has participated in an Economic Summit. He will be accompanied by Foreign Minister Giulio Andreotti and Treasury Minister Giovanni Goria. Mr. Renato Ruggiero is his Personal Representative.

Recent Economic Performance

The inflation rate in Italy dropped from 8.6 per cent in 1984, to 6.1 per cent for 1986 and to 4.1 per cent in March 1987. The GNP, which increased by 2.3 per cent in 1985 and 2.8 per cent in 1986, is projected to rise by about 3 per cent in 1987. However, unemployment remains high, having averaged about 11 per cent in 1986. The public sector deficit has undergone rapid growth since the late sixties. In 1985, the deficit was equal to 14 per cent of the GDP. However, the government's sustained efforts to rationalize public expenditures bore fruit in 1986, reducing the government deficit to 12 per cent of the GDP. Private investment increased in 1986, and there was a significant improvement in the balance of payments, from a deficit of US \$4.2 billion in 1985 to a surplus of about US \$4.5 billion by 1986. Reorganized public finances and an improved balance of payments enabled Italy to reduce its indebtedness in 1986 for the first time in several years.

Canada/Italy Relations

Our relations are greatly enhanced by the presence in Canada of an Italian community of about 1 million persons. It is a key factor in the flow of tourists from Canada to Italy, and was the key element leading to the Bilateral Agreement on Social Security signed in 1979, and the Cultural Agreement of 1984.

The relationship between our countries is excellent with no major irritants. Trade between Canada and Italy has continued to increase, rising from \$1.8 billion Cdn in 1985 to about \$2.4 billion in 1986. Canadian exports to Italy were \$691 million in 1986, up 31 per cent from the previous year, but our imports increased even more, having reached a record \$1.7 billion, leaving us with a deficit of \$1 billion. Both our countries share a common desire to increase trade in high technology products, to promote investment and to intensify industrial cooperation. Bilateral relations received a fresh impetus in the visits to Italy of Governor General Sauvé and to Canada of President Cossiga, by Prime Minister Mulroney's visit to Rome last January. Prime Minister Fanfani met with Prime Minister Mulroney in Ottawa on May 26 to review the Venice Summit agenda.