
United Kingdom

Prime Minister Margaret Thatcher

Mrs. Margaret Thatcher has been Conservative Party leader for eleven years and Prime Minister for seven. She was first elected to the House of Commons in 1959 and held a number of front-bench positions. She was made Secretary of State for Education and Science, and a Privy Councillor, in 1970. She was elected leader of the Conservative Party, and thus Leader of the Opposition, in February 1975.

This will be Prime Minister Thatcher's eighth economic summit. She will be accompanied by the Secretary of State for Foreign and Commonwealth Affairs, Sir Geoffrey Howe, and the Chancellor of the Exchequer, Nigel Lawson. Mrs. Thatcher's Personal Representative is Sir Robert Armstrong.

Recent Economic Performance

The most recent U.K. budget delivered on March 18, 1986, calls for growth rates of 3 percent and above over the next three years. Chronic problems include high unemployment (over 13 percent) and a tendency for unit labour costs to outstrip productivity. Unemployment is not forecast to fall in the near future. The U.K. economy is also experiencing declining revenues from North Sea oil production as the world price of oil falls sharply but the overall impact of the energy price drop is regarded as beneficial to the U.K. economy.

Continued control of inflation even while interest rates decline remains a priority of the government. That would enable Sterling to fall in relation to the currencies of major trading partners. Sterling has, for instance, depreciated in recent months relative to the Deutschmark and the Dutch Guilder.

Canada/UK Relations

Canada's relations with the UK are among the closest we enjoy anywhere in the world and they have burgeoned over the last twelve months. Canada/UK relations have changed considerably, however, due to the British entry into the European Common Market and, on the Canadian side, the growing concentration of Canadian trade with the U.S.A., and with the Pacific Rim countries.

The Canada/U.K. trade relationship is regarded as good and the U.K. will remain an important economic and trade partner for Canada. The U.K. is currently Canada's third largest market. Imports from the U.K. amounted to \$3.3 billion whereas Canadian exports totalled \$2.3 billion. An increase of imports into Canada of 42 percent as well as a decline in Canadian exports of 5.7 percent were registered. The U.K. is a major market for Canadian primary products as well as for manufactured goods. Given the links that already exist between U.K. and Canadian companies and research institutions, opportunities for collaboration and joint ventures are also available. It is expected that the volume of two-way trade will continue to increase as the U.K. economic recovery proceeds. The U.K. is Canada's second largest source of foreign investment.

Italy

Prime Minister Bettino Craxi

Bettino Craxi was born in Milan on February 24, 1934. Mr. Craxi has headed the Italian Socialist Party (PSI) since 1976 and became President of the Council of Ministers following the elections of June 1983. A five-party coalition emerged from this, with the PSI and three smaller parties that held the balance of power allying themselves with the Christian Democrats, the largest Italian party, to form a majority that could exercise power.

Mr. Craxi has been associated with the PSI since the beginning of his political career in 1957. He was elected as a representative for the first time in 1968 and has been re-elected four times.

The Tokyo Economic Summit will mark the third one that Mr. Craxi has attended. He will be accompanied by his Foreign Minister, Giulio Andreotti, and the Minister of the Treasury, Giovanni Goria. His personal representative is Mr. Renato Ruggiero.