

UNCLASSIFIED/NONCLASSIFIED

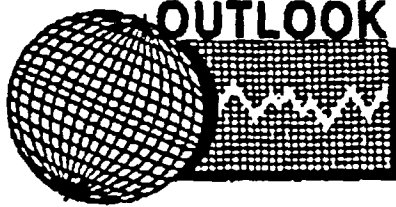
16/24

Independent

June 11

1987

Independent June 11



particular government's policies: this is an old convention of such international gatherings, but it has been breached this year on more than one occasion, such was the concern at the level of trade imbalances and the slowdown in the world economy.

The muted tones of the communiqué will do nothing to keep up the pressure on Japan and West Germany to stimulate their economies; even the final statement of the summiters' intent to monitor "objective indicators" and alter policies accordingly sounded less enthusiastic than it had only the day before.

It was, of course, improbable that seven free governments would really agree to subordinate their economic policy-making to the mechanistic rules provided by measurement of a series of indicators of growth, monetary conditions, and exchange-rate pressures. The real progress on this front consists of general agreement as to which indicators of performance are important, which should shorten the policy dialogue between summiters.

The downside is that this agreement on form seems to have blunted the demand for substance; having giving the US boffins much of what they wanted on the technicalities, the other governments found themselves less pressed to take real-life action.

It may be that the "objective

Coma in Venice

Hopes of the summit were not high; one cannot therefore sensibly talk of disappointment at its results. Just the same, they were clearly at the lower end of expectations and the lack of market reaction is more an indication of its indifference than of contentment with the final communiqué.

Most noticeably, this communiqué does not point the finger at any par-

UNCLASSIFIED/NONCLASSIFIED