

Williamsburg Summit, May 1983

By the time of the Williamsburg meeting, hosted by President Reagan, evidence of a consumer-led recovery in North America was accumulating, with inflation levels and interest rates markedly lower in many industrialized countries. At the same time, growth in the economies of the European participants was very weak, real interest rates remained high, serious unemployment existed everywhere except Japan, trade had not yet recovered significantly from the recession, and the debt problems of a number of newly industrializing countries were a major preoccupation. The central theme of Williamsburg therefore became how to strengthen and widen recovery. Leaders agreed to pursue policies conducive to low inflation, reduced interest rates and budget deficits and greater employment opportunities. Leaders also committed themselves to halting protectionism and to dismantling trade barriers as the recovery proceeded. They further undertook to maintain a case-by-case approach to containing the debt situation, based on adequate flows of financing, adjustment, open markets and continued OECD growth. On monetary reform, Leaders asked Finance Ministers, in consultation with the IMF, to define conditions for improving the international monetary system. With UNCTAD VI taking place in Belgrade immediately afterwards, Leaders signalled their openness to a dialogue with developing countries. Leaders also issued a separate Declaration on Security.