

tion, the French Government agrees, as a contribution to the common effort, to increase by an amount of about 0.5 per cent of GNP the deficit of the budget of the state for the year 1978.

- The Italian Prime Minister has indicated that the Government undertakes to raise the rate of economic growth in 1979 by 1.5 percentage points with respect to 1978. It plans to achieve this goal by cutting public current expenditure while stimulating investments with the aim of increasing employment in a non-inflationary context.

- The Prime Minister of Japan has referred to the fact that his Government is striving for the attainment of the real growth target for fiscal year 1978, which is about 1.5 percentage points higher than the performance of the previous year, mainly through the expansion of domestic demand. He has further expressed his determination to achieve the said target by taking appropriate measures as necessary. In August or September he will determine whether additional measures are needed.

- The United Kingdom, having achieved a major reduction in the rate of inflation and improvement in the balance of payments, has recently given a fiscal stimulus equivalent to rather over 1 per cent of GNP. The Government intends to continue the fight against inflation so as to improve still further the prospects for growth and employment.

- The President of the United States

The Summit series

The Bonn Summit was the fourth in the series of meetings that have been held for heads of government. The first was at Rambouillet, France, in November 1975 — at which Canada did not participate — the second at Puerto Rico in June 1976 and the third was in London in May 1977.

At these meetings, heads of government, together with the foreign affairs and finance ministers, from Canada, France, Germany, Italy, Japan, Britain and the United States, have met to discuss, principally, major economic issues. The President of the Commission of European Communities, Roy Jenkins, and the President of the Council of Ministers of the European Communities, Chancellor Helmut Schmidt, represented the European Communities at Bonn.

Mr. Trudeau's hijacking-prevention proposals please Summit leaders

Measures suggested by Prime Minister Trudeau to discourage countries from harbouring aircraft hijackers were accepted at the Bonn Summit.

Canada, the United States, Japan, France, Britain, West Germany and Italy have agreed to cease all flights to and from any country that refuses to extradite or prosecute those who have hijacked an aircraft or to return the hijacked plane. All other countries were urged to join in this commitment.

Mr. Trudeau said on July 17 that he had suggested these measures at a luncheon meeting and, although the issue had not been on the Summit agenda, other leaders thought that "it was a good idea".

stated that reducing inflation is essential to maintaining a healthy U.S.A. economy and has therefore become the top priority of U.S.A. economic policy. He identified the major actions that have been taken and are being taken to counter inflation in the United States: tax cuts originally proposed for fiscal year 1979 have now been reduced by \$10 billion; Government expenditure projections for 1978 and 1979 have been reduced; a very tight budget is being prepared for 1980; steps are being taken to reduce the direct contribution by Government regulation of restrictions to rising costs and prices, and a voluntary program has been undertaken to achieve deceleration of wages and prices.

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Energy

Recognizing its particular responsibility in the energy field, the United States will reduce its dependence on imported oil. The U.S.A. will have in place by the end of the year a comprehensive policy framework within which this effort can be urgently carried forward. By year-end, measures will be in effect that will result in oil-import savings of approximately 2.5 million barrels *per day* by 1985. In order to achieve these goals, the U.S.A. will establish a strategic oil reserve of 1 billion barrels; it will increase coal production by two-thirds; it will maintain the ratio between growth, in gross national product and growth in energy demand at

or below 0.8; and its oil consumption will grow more slowly than energy consumption. The volume of oil imported in 1978 and 1979 should be less than that imported in 1977. In order to discourage excessive consumption of oil and to encourage the movement towards coal, the U.S.A. remains determined that the prices paid for oil in the U.S.A. shall be raised to the world level by the end of 1980.

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The President of the United States and the Prime Minister of Canada have expressed their firm intention to continue as reliable suppliers of nuclear fuel within the framework of effective safeguards. The President intends to use the full powers of his office to prevent an interruption of enriched uranium supply and to ensure that existing agreements will be respected. The Prime Minister intends that there shall be no interruption of Canadian uranium supply on the basis of effective safeguards.

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Trade

We reaffirm our determination to expand international trade, one of the driving forces for more sustained and balanced economic growth. Through our joint efforts we will maintain and strengthen the

(Continued on P. 8)



John Evans

After attending the Bonn Summit with the Prime Minister and Finance Minister Jean Chrétien, the Secretary of State for External Affairs, Don Jamieson (above), made a four-hour tour of Berlin on July 18. Mr. Jamieson lunched with Mayor Dietrich Stobbe and discussed the Berlin economy with Senator Wolfgang Lueder.