

Backing for Britain

but no action over S Africa. UNCLASSIFIED/NONCLASSIFIED

to fight
Aids

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Venice pledge to act if economic recovery falters

From Peter Rodgers and Alex Brummer in Venice

The leaders of the seven biggest industrial countries yesterday vowed to take new economic measures if the present economic recovery begins to falter.

They also delivered a strong declaration of support for the British system of education and research to combat Aids, and a rebuff for President Reagan's approach of routine testing.

The leaders failed to come up with any initiatives on South Africa. The Foreign Secretary, Sir Geoffrey Howe, said Britain had been told by white liberals and by blacks that this was the wrong moment as South Africa would be

discussions between governments.

No sooner was the summit over than participants and their aides were forced to defend the lack of specific new policy initiatives by the three biggest economies, the US, Japan and West Germany, clearly fearing that financial markets would take a dim view and start a new run on the dollar.

The US Treasury Secretary, Mr James Baker, said he hoped the markets had taken aboard his warnings that "you should not be looking for major macro-economic policy initiatives every two or three weeks or months" and like all the participants, he emphasised that a key element of the summit was to put muscle behind existing work done by finance ministers, including himself.

American officials were clearly frustrated by the failure of the West Germans to do more to stimulate their faltering economy. Without German growth, American officials warned, "There will be no one to buy our goods now that our economy is slowing."

This was underpinned by claims from Mr Baker that the Americans had the deficit moving downwards. He said: "Actions speak louder than words and I think we have got actions." There would be a solid substantial deficit reduction this year of \$40 billion and more next year, and he said that in four years the deficit had plummeted from 6.3 to 3.9 per cent of Gross National Product.

Before leaving for a brief appearance in his constituency, Sir Geoffrey Howe made a surprising claim that "the Venice summit... offers a beacon of hope to the unemployed in our countries and to the economically disadvantaged in the developing world," though he did not elaborate on the logic.

Sir Geoffrey said that creating jobs was the paramount task. He claimed that the summit countries were following policies in line with Britain's, and he said that this had led to a fall in unemployment of 200,000 in the last 12 months.

Leader comment, page 14: US retreats on World Bank move. City Notebook, page 28.

"unreceptive," so soon after the white-only election.

There appeared to be a significant shift in the balance of power among the leaders of the US, Japan, West Germany, France, Britain, Italy, and Canada. President Reagan, who has dominated the agenda in recent years, was seen to be in retreat on several key issues from East-West relations to the Gulf and the role of the World Bank in development. He also failed, because of European objections, even to get a deadline of the year 2000 into the summit's commitment to end agriculture, subsidies and surpluses.

The summit's economic communiqué called for a "further market-led decline of interest rates," and it backed policies agreed by finance ministers to stabilise the foreign exchanges, saying further substantial shifts would damage growth and efforts to control trade surpluses and deficits.

The Big Seven agreed that "if in the future world economic growth is insufficient, additional actions will be required." They told their finance ministers to work out policies for this purpose and they also backed a new system of using economic indicators to steer the world economy with the help of regular dis-

By Ian Brodie, Venice
THE SEVEN Venice summit nations called for increased international co-operation to fight Aids yesterday and welcomed a British offer to co-sponsor an international conference about the disease with the World Health Organisation.

In the absence of a vaccine or a cure, the best hope to combat Aids was education about both its seriousness and practical steps to avoid it, the seven said.

They made no specific mention of Aids testing, but cautioned that any measures against the disease must be "in accordance with the principles of human rights."

This catch-all phrase was included in the text to cover the concerns of those who fear that mandatory Aids test could lead to invasions of privacy and discrimination against victims, the majority of whom homosexuals or intravenous drug users.

Concerted campaigns

Recognising Aids as "one of the biggest potential health problems in the world," the summit nations declared:

"National efforts need to be intensified and made more effective by international

co-operation and concerted campaigns to prevent Aids from spreading further."

An astute understanding of the politics of Aids was shown by the seven—Britain, France, West Germany, Italy, Japan, Canada and the United States.

Co-operation would not be improved by duplication of effort, they said, meaning there should be an end to competition among scientists to win the race for a cure by not disclosing key discoveries to their rivals.

The leaders hailed the recent agreement between French and American Aids researchers to settle their patent dispute in favour of sharing their work.

Priority would need to be given to strengthening existing organisations by giving them full political support and by providing them with the necessary money and staff, said the Venice communiqué.

The World Health Organisation was the best forum for drawing together international efforts to combat Aids.

All nations were encouraged to co-operate fully with WHO a reprimand to black African nations which have resisted admitting they need outside help despite Aids outbreaks of epidemic proportions.

Although 51,000 cases have been reported by 112 nations, WHO says the reality is more than twice that number with perhaps as many as 10 million carriers of the sexually contagious virus worldwide.