

The Western Economic Summits began at Rambouillet, France in 1975 and have been held annually since: 1976 in Puerto Rico, 1977 in London, 1978 in Bonn, 1979 in Tokyo and 1980 in Venice. As of the July 1981 meeting in Ottawa each of the seven participating countries will have hosted a Summit. The leaders of the United States, France, Germany, Japan, Britain and Italy have participated in the meetings from the outset, joined by Canada since the Puerto Rico meeting and the European Commission since the London Summit.

munity countries, or Japan, e.g. monetary problems in the early Seventies, trade issues, or views on the future of *détente* today. We are accordingly anxious to contribute in whatever ways we can to overcome the current differences on economic and political strategy among the industrialized democracies and believe the Summits could be helpful in doing so.

I should underline that leaders should not be expected to reach definitive conclusions on these matters at Ottawa; indeed, by their nature, these issues are constantly before governments and leaders will need to devote time to other subjects as well. Among the major items I anticipate at this stage for Ottawa's agenda are the tensions between fighting inflation and coping with the implications of the low- or no-growth scenarios fore-

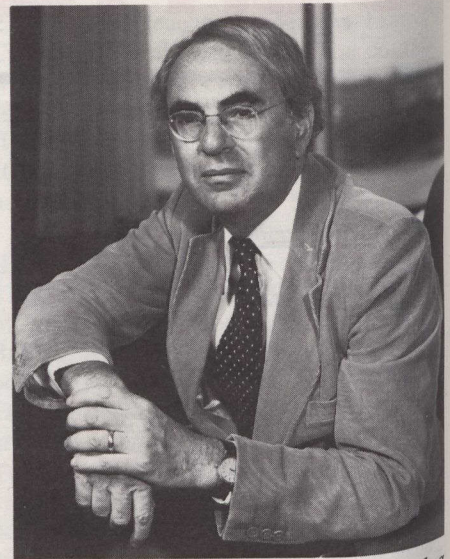
seen for most Summit and other developed countries over coming months, with their significant social and political overtones particularly at a time of growing unemployment in many industrialized states.

Recycling of petro dollars and the debt and balance-of-payments needs of a number of significant developing countries are other difficult current issues.... We were...very pleased at the recent agreement between the International Monetary Fund (IMF) and Saudi Arabia under which the latter has undertaken to provide some \$8 billion in loans to the IMF while IMF members have agreed to a special increase in the Saudi quota in the IMF. This is a good example of recognizing the need to share power where it exists in the South.

The international trade situation is frankly worrying and Summit leaders may well want to reflect on how to avoid a destructive protectionist focus on bilateral irritants — of which we all confront unfortunately too many these days — and instead devote their attention to ways of renewing the impetus to expanding world trade in the interests of all participants. In addition, leaders will, of course, need to review progress on the comprehensive energy strategy they agreed on at Venice.

North-South issues

Also arising out of Venice, leaders will have before them the report on North-South issues to which I have alluded al-



"...We in the industrial world need a manageable locus for concerting our views and objectives..." said Mr. Gotlieb.

ready. I expect this set of conclusions from the personal representatives will give rise to a substantive and thought-provoking discussion among leaders of Summit countries' relationships with developing countries, looking to the future and bearing in mind notably the Commonwealth heads of government meeting beginning in September in Melbourne and the North-South Summit planned for Mexico in late October. This is a subject to which we in Canada continue to attach very great importance.

One major priority area which comes to mind is energy assistance to developing countries; I think of the proposal for a United Nations conference this August on new and renewable sources of energy. I also think of the proposal for an International Bank for Reconstruction and Development (World Bank) energy affiliate. The oil bill of the developing countries as a whole has increased dramatically; at an estimated net \$50 billion in 1980 for all developing countries, it ate up an estimated 20 per cent of their export earnings from goods and services, compared to 12 per cent in 1978 — an increase of 66 per cent in two years... The World Bank has calculated that by 1990, the proposed energy affiliate could have the effect of shaving the projected oil import bill by U.S.\$25-\$30 billion in 1980 dollar terms — money that could go to economic development including needed imports from industrialized countries.

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A view of the Chateau Laurier. To the left is Confederation Square and at the right the Conference Centre and the National Arts Centre in Ottawa.