

## Backing for Britain but no action over S Africa.

# 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 cover than participants their aides were forced fend the lack of specific policy initiatives by the biggest economies, the Japan and West Germany clearly fearing that financial markets would take a view and start a new rally for the dollar.

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

American officials clearly frustrated by failure of the West German do more to stimulate faltering economy. West German growth, American officials warned, "There be no one to buy our dollars now that our economy slowing."

This was underpinned claims from Mr Baker that Americans had the economy moving downwards. He said "Actions speak louder words and I think we have actions." There would be a solid substantial deficit reduction this year of \$40 billion and more next year, an said that in four years deficit had plummeted 6.3 to 2.9 per cent of GNP.

Before leaving for a appearance in his constituency, Sir Geoffrey Howe made a surprising claim that the Venice summit... Other beacon of hope to the unemployed in our countries at the economically disadvantaged in the developing world," though he did 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 and he said that this had to a fall in unemployment 200,000 in the last 12 months.

# Summit avoids commitments

From Steve Lewinson in Venice

trialled agreement that the seven would have chock consultations, and set up a system of non-enforceable and unpublished performance indicators.

The final declaration avoided naming Japan West Germany or the United States as needing to adjust their policies. It included a commitment to "additional actions" should growth be recessionary. But the US Treasury Secretary, James Baker, said present policies were "doing the job". One success for which the Govern-

ment may wish to avoid publicity was its virtual veto of a Canadian proposal for a statement from the summit condemning South Africa and its apartheid regime. Although the Canadian move received support from most of the other leaders, it was clear from early on that Mrs Thatcher and Sir Geoffrey were adamant. As a result, the reference to South Africa appeared only in a summary of the proceedings given by the Italian Prime Minister, Amintore Fanfani, at the end of the summit. Sir Geoffrey said later this was not the time for outside initiatives on South Africa. Details, page 24

*Independent 11 June 87*

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