

ment. It is to preserve, sustain and extend these shared values that our prosperity is important.

"The recession has put our societies through a severe test, but they have proved resilient. Significant success has been achieved in reducing inflation and interest rates, there have been improvements in productivity and we now clearly see signs of recovery.

"Nevertheless, the industrialized democracies continue to face the challenge of ensuring that the recovery materializes and endures, in order to reverse a decade of cumulative inflation and reduce unemployment. We must all focus on achieving and maintaining low inflation and reducing interest rates from their present too-high levels.

"We renew our commitment to reduce structural budget deficits, in particular by limiting the growth of expenditures.

"We recognize that we must act together and that we must pursue a balanced set of policies that take into account and exploit relationships between growth, trade and finance in order that recovery may spread to all countries, developed and developing alike.

Commitment to reduce deficits

"In pursuance of these objectives, we have agreed as follows:

"(1) Our governments will pursue appropriate monetary and budgetary policies that will be conducive to low inflation, reduced interest rates, higher productive investment and greater employment opportunities, particularly for the young.

"(2) The consultation process initiated at Versailles will be enhanced to promote convergence of economic performance in our economies and greater stability of exchange rates, on the lines indicated in an annex of this declaration. We agree to pursue closer consultations on policies affecting exchange markets and on market conditions. While retaining our freedom to operate independently, we are willing to undertake co-ordinated intervention in exchange markets in instances where it is agreed that such intervention would be helpful.

"(3) We commit ourselves to halting protectionism and, as recovery proceeds, to reverse it by dismantling trade barriers. We intend to consult within appropriate existing forms on ways to implement and monitor this commitment. We shall give impetus to resolving current trade problems. We will actively pursue the current work programs in the General



Prime Minister Trudeau (front) and US President Reagan arrive in Williamsburg for the 1983 Economic Summit.

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Agreement on Tariffs and Trade (GATT) and in the Organization for Economic Co-operation and Development (OECD), including trade and services in high technology products. We should work to achieve further trade liberalization negotiations in the GATT, with particular emphasis on expanding trade with and among developing countries. We have agreed to continue consultations on pro-

What is the Summit?

Economic Summit meetings began in 1975 on the initiative of the French President and have convened yearly since then. They bring together the heads of state and government of the seven major industrialized democracies — Canada, France, the Federal Republic of Germany, Italy, Japan, Britain and the United States. The President of the Commission of European Communities also participates (as does the Community presidency) in discussions of matters over which the Community has competence for the European participants. Previous Summits were held in Rambouillet (1975), Puerto Rico (1976), London (1977), Bonn (1978), Tokyo (1979), Venice (1980), Ottawa (1981) and Versailles (1982).

posals for a new negotiating round in the GATT.

Discussions give confidence

"(4) We view with concern the international financial situation and especially the debt burdens of many developing nations. We agree to a strategy based on effective adjustment and development policies by debtor nations; adequate private and official financing; more open markets; and worldwide economic recovery. We will seek early ratification of the increases in resources for the International Monetary Fund and the General Arrangements to Borrow. We encourage closer co-operation and timely sharing of information among countries and the international institutions, in particular between the International Monetary Fund (IMF), the International Bank for Reconstruction and Development (IBRD), and the GATT.

"(5) We have invited ministers of finance, in consultation with the managing director of the IMF, to define the conditions for improving the international monetary system, and to consider the part which might, in due course, be played in the process by a high-level international monetary conference.

"(6) The weight of the recession has fallen very heavily on developing countries, and we are deeply concerned about their recovery. Restoring sound economic growth while keeping our markets open is crucial. Special attention will be given to the flow of resources, in particular official development assistance, to poorer countries, and for food and energy production, both bilaterally and through appropriate international institutions. We reaffirm our commitments to provide agreed funding levels for the International Development Association. We welcome the openness to dialogue which the developing countries evinced at the recent conferences of the Non-aligned Movement in New Delhi and the Group of 77 in Buenos Aires, and we share their commitment to engage with understanding and co-operation in the forthcoming meeting of the United Nations Conference on Trade and Development in Belgrade.

"(7) We are agreed upon the need to encourage both the development of advanced technology and the public acceptance of its role in promoting growth, employment and trade. We have noted with approval the Working Group on Technology, Growth and Unemployment

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