

There was also a recognition at Venice of the growing importance of the recycling problem and the need for an expansion of the role of the IMF and IBRD in this regard.

The Venice Summit also had a significant political dimension, which was a relatively new element. While economic issues remained the principal focus, international developments, particularly Afghanistan and its effects on East-West relations, were discussed as participants exchanged views on their individual perceptions of the crisis and sought to improve coordination of their approaches.

#### Ottawa Summit, July 1981

At this first Summit hosted by Canada, - and the last in the first cycle of Summits - four countries (USA, France, Japan and Italy) as well as the European Community were represented by new leaders. While the two preceding Summits had focussed almost exclusively on energy, the Ottawa Summit dealt in depth with a number of issues in addition to energy such as macro-economic policy, trade, relations with developing countries, East West relations as well as political issues.

The context in which the Summit was held was one of continuing economic difficulty. Faced with persistent inflation, low growth, rising unemployment, balance of payments deficits and high interest rates, the Summit countries therefore gave highest priority to the macro-economic situation and the linked problems of inflation and unemployment. The fight against inflation was seen as a necessary condition for sustained growth and increased employment. Emphasis was also placed on restraint in public borrowing and monetary growth as well as on the desirability of minimizing the volatility of interest and exchange rates. The need to take account of the effects on others of the policies pursued nationally was recognized. The discussion also focussed on longer-term strategies, due to the structural nature of the economic problems being encountered.

The trade discussion was particularly fruitful. Summit leaders reaffirmed their strong commitment to maintaining liberal trade policies and to resisting protectionist pressures. They welcomed the initiative for the 1982 Ministerial meeting of GATT and endorsed efforts to reach agreement on reducing subsidy elements in official export credit schemes.