



PRIME MINISTER

FOR MEDIA

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DECLARATION OF THE OTTAWA SUMMIT

The Government welcomes the willingness of the members of the Ottawa Summit to participate in preparations for global negotiations, and their agreement on the need for constructive and substantive discussions between developed and developing countries.

By its recognition of the reality of interdependence and of common interests, its commitment to substantial assistance, and its awareness of the need to increase public understanding of the need for aid, the Ottawa Summit has made a promising contribution to ending the stalemate which has for too long hindered progress on the North-South issue.

The Ottawa Declaration clearly opens the prospects for more constructive meetings later this year in Cancun and also in Melbourne.

DECLARATION OF THE OTTAWA SUMMIT (UNDERLINED)

1. WE HAVE MET AT A TIME OF RAPID CHANGE AND GREAT CHALLENGE TO WORLD ECONOMIC PROGRESS AND PEACE. OUR MEETING HAS SERVED TO REINFORCE THE STRENGTH OF OUR COMMON BONDS. WE ARE CONSCIOUS THAT ECONOMIC ISSUES REFLECT AND AFFECT THE BROADER POLITICAL PURPOSES WE SHARE. IN A WORLD OF INTERDEPENDENCE, WE REAFFIRM OUR COMMON OBJECTIVES AND OUR RECOGNITION OF THE NEED TO TAKE INTO ACCOUNT THE EFFECTS ON OTHERS OF POLICIES WE PURSUE. WE ARE CONFIDENT IN OUR JOINT DETERMINATION AND ABILITY TO TACKLE OUR PROBLEMS IN A SPIRIT OF SHARED RESPONSIBILITY, BOTH AMONG OURSELVES AND WITH OUR PARTNERS THROUGHOUT THE WORLD.

THE ECONOMY (UNDERLINED)

2. THE PRIMARY CHALLENGE WE ADDRESSED AT THIS MEETING WAS THE NEED TO REVITALIZE THE ECONOMIES OF THE INDUSTRIAL DEMOCRACIES, TO MEET THE NEEDS OF OUR OWN PEOPLE AND STRENGTHEN WORLD PROSPERITY.

3. SINCE THE VENICE SUMMIT THE AVERAGE RATE OF INFLATION IN OUR COUNTRIES HAS FALLEN, ALTHOUGH IN FOUR OF THEM INFLATION REMAINS IN DOUBLE FIGURES. IN MANY COUNTRIES UNEMPLOYMENT HAS RISEN SHARPLY AND IS STILL RISING. THERE IS A PROSPECT OF MODERATE ECONOMIC GROWTH IN THE COMING YEAR BUT AT PRESENT IT PROMISES LITTLE EARLY RELIEF FROM UNEMPLOYMENT. THE LARGE PAYMENTS DEFICITS ORIGINATING IN THE 1979-80 OIL PRICE INCREASE HAVE SO FAR BEEN FINANCED WITHOUT IMPOSING INTOLERABLE ADJUSTMENT BURDENS BUT ARE LIKELY TO PERSIST FOR SOME

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TIME. INTEREST RATES HAVE REACHED RECORD LEVELS IN MANY COUNTRIES AND, IF LONG SUSTAINED AT THESE LEVELS, WOULD THREATEN PRODUCTIVE INVESTMENT.

4. THE FIGHT TO BRING DOWN INFLATION AND REDUCE UNEMPLOYMENT MUST BE OUR HIGHEST PRIORITY AND THESE LINKED PROBLEMS MUST BE TACKLED AT THE SAME TIME. WE MUST CONTINUE TO REDUCE INFLATION IF WE ARE TO SECURE THE HIGHER INVESTMENT AND SUSTAINABLE GROWTH ON WHICH THE DURABLE RECOVERY OF EMPLOYMENT DEPENDS. THE BALANCED USE OF A RANGE OF POLICY INSTRUMENTED. WE MUST INVOLVE OUR PEOPLES IN A GREATER APPRECIATION OF THE NEED FOR CHANGE: CHANGE IN EXPECTATIONS ABOUT GROWTH AND EARNINGS, CHANGE IN MANAGEMENT AND LABOUR RELATIONS AND PRACTICES, CHANGE IN THE PATTERN OF INDUSTRY, CHANGE IN THE DIRECTION AND SCALE OF INVESTMENT, AND CHANGE IN ENERGY USE AND SUPPLY.

5. WE NEED IN MOST COUNTRIES URGENTLY TO REDUCE PUBLIC BORROWING., WHERE OUR CIRCUMSTANCES PERMIT OR WE ARE ABLE TO MAKE CHANGES WITHIN THE LIMITS OF OUR BUDGETS, WE WILL INCREASE SUPPORT FOR PRODUCTIVE INVESTMENT AND INNOVATION. WE MUST ALSO ACCEPT THE ROLE OF THE MARKET IN OUR ECONOMIES. WE MUST NOT LET TRANSITIONAL MEASURES THAT MAY BE NEEDED TO EASE CHANGE BECOME PERMANENT FORMS OF PROTECTION OR SUBSIDY.

6. WE SEE LOW AND STABLE MONETARY GROWTH AS ESSENTIAL TO REDUCING INFLATION. INTEREST RATES HAVE TO PLAY THEIR PART IN ACHIEVING THIS AND ARE LIKELY TO REMAIN HIGH WHERE FEARS OF INFLATION REMAIN STRONG. BUT WE ARE FULLY AWARE THAT LEVELS AND MOVEMENTS OF INTEREST RATES IN ONE COUNTRY CAN MAKE STABILIZATION POLICIES MORE DIFFICULT IN OTHER COUNTRIES BY INFLUENCING THEIR EXCHANGE RATES AND THEIR ECONOMIES. FOR THESE REASONS, MOST OF US NEED ALSO TO RELY ON CONTAINMENT OF BUDGETARY DEFICITS, BY MEANS OF RESTRAINT IN GOVERNMENT EXPENDITURES AS NECESSARY. IT IS ALSO HIGHLY DESIRABLE TO MINIMIZE VOLATILITY OF INTEREST RATES AND EXCHANGE RATES., GREATER STABILITY IN FOREIGN EXCHANGE AND FINANCIAL MARKETS IS IMPORTANT FOR THE SOUND DEVELOPMENT OF THE WORLD ECONOMY.

7. IN A WORLD OF STRONG CAPITAL FLOWS AND LARGE DEFICITS IT IS IN THE INTERESTS OF ALL THAT THE FINANCIAL SOUNDNESS OF THE INTERNATIONAL BANKING SYSTEM AND THE INTERNATIONAL FINANCIAL INSTITUTIONS BE FULLY MAINTAINED. WE WELCOME THE RECENTLY EXPANDED ROLE OF THE IMF IN FINANCING PAYMENTS DEFICITS ON TERMS WHICH ENCOURAGE NEEDED ADJUSTMENT.

8. IN SHAPING OUR LONG TERM ECONOMIC POLICIES, CARE SHOULD BE TAKEN TO PRESERVE THE ENVIRONMENT AND THE RESOURCE BASE OF OUR PLANET.

RELATIONS WITH DEVELOPING COUNTRIES (UNDERLINED)

9. WE SUPPORT THE STABILITY, INDEPENDENCE AND GENUINE NON- ALIGNMENT

OF DEVELOPING COUNTRIES AND REAFFIRM OUR COMMITMENT TO COOPERATE WITH THEM IN A SPIRIT OF MUTUAL INTEREST, RESPECT AND BENEFIT, RECOGNIZING THE REALITY OF OUR INTERDEPENDENCE.

10. IT IS IN OUR INTEREST AS WELL AS IN THEIRS THAT THE DEVELOPING COUNTRIES SHOULD GROW AND FLOURISH AND PLAY A FULL PART IN THE INTERNATIONAL ECONOMIC SYSTEM COMMENSURATE WITH THEIR CAPABILITIES AND RESPONSIBILITIES AND BECOME MORE CLOSELY INTEGRATED IN IT.

11. WE LOOK FORWARD TO CONSTRUCTIVE AND SUBSTANTIVE DISCUSSIONS WITH THEM, AND BELIEVE THE CANCUN SUMMIT OFFERS AN EARLY OPPORTUNITY TO ADDRESS OUR COMMON PROBLEMS ANEW.

12. WE REAFFIRM OUR WILLINGNESS TO EXPLORE ALL AVENUES OF CONSULTATION AND COOPERATION WITH DEVELOPING COUNTRIES IN WHATEVER FORUMS MAY BE APPROPRIATE. WE ARE READY TO PARTICIPATE IN PREPARATIONS FOR A MUTUALLY ACCEPTABLE PROCESS OF GLOBAL NEGOTIATIONS IN CIRCUMSTANCES OFFERING THE PROSPECT OF MEANINGFUL PROGRESS.

13. WHILE GROWTH HAS BEEN STRONG IN MOST MIDDLE INCOME DEVELOPING COUNTRIES, WE ARE DEEPLY CONSCIOUS OF THE SERIOUS ECONOMIC PROBLEMS IN MANY DEVELOPING COUNTRIES, AND THE GRIM POVERTY FACED ESPECIALLY BY THE POORER AMONG THEM. WE REMAIN READY TO SUPPORT THE DEVELOPING COUNTRIES IN THE EFFORTS THEY MAKE TO PROMOTE THEIR ECONOMIC AND SOCIAL DEVELOPMENT WITHIN THE FRAMEWORK OF THEIR OWN SOCIAL VALUES AND TRADITIONS. THESE EFFORTS ARE VITAL TO THEIR SUCCESS.

14. WE ARE COMMITTED TO MAINTAINING SUBSTANTIAL AND, IN MANY CASES, GROWING LEVELS OF OFFICIAL DEVELOPMENT ASSISTANCE AND WILL SEEK TO INCREASE PUBLIC UNDERSTANDING OF ITS IMPORTANCE. WE WILL DIRECT THE MAJOR PORTION OF OUR AID TO POORER COUNTRIES, AND WILL PARTICIPATE ACTIVELY IN THE UNITED NATIONS CONFERENCE ON THE LEAST DEVELOPED COUNTRIES.

15. WE POINT OUT THAT THE STRENGTHENING OF OUR OWN ECONOMIES, INCREASING ACCESS TO OUR MARKETS, AND REMOVING IMPEDIMENTS TO CAPITAL FLOWS CONTRIBUTE LARGER AMOUNTS OF NEEDED RESOURCES AND TECHNOLOGY AND THEREBY COMPLEMENT OFFICIAL AID. THE FLOW OF PRIVATE CAPITAL WILL BE FURTHER ENCOURAGED IN SO FAR AS THE DEVELOPING COUNTRIES THEMSELVES PROVIDE ASSURANCES FOR THE PROTECTION AND SECURITY OF INVESTMENTS.

16. THE SOVIET UNION AND ITS PARTNERS, WHOSE CONTRIBUTIONS ARE MEAGRE, SHOULD MAKE MORE DEVELOPMENT ASSISTANCE AVAILABLE, AND TAKE A GREATER SHARE OF EXPORTS OF DEVELOPING COUNTRIES, WHILE RESPECTING THEIR INDEPENDENCE AND NON-ALIGNMENT.

17. WE WILL MAINTAIN A STRONG COMMITMENT TO THE INTERNATIONAL FINANCIAL INSTITUTIONS AND WORK TO ENSURE THAT THEY HAVE, AND USE

EFFECTIVELY, THE FINANCIAL RESOURCES FOR THEIR IMPORTANT RESPONSIBILITIES.

18. WE ATTACH HIGH PRIORITY TO THE RESOLUTION OF THE PROBLEMS CREATED FOR THE NON-OIL DEVELOPING COUNTRIES BY THE DAMAGING EFFECTS ON THEM OF HIGH COST OF ENERGY IMPORTS FOLLOWING THE TWO OIL PRICE SHOCKS. WE CALL ON THE SURPLUS OIL-EXPORTING COUNTRIES TO BROADEN THEIR VALUABLE EFFORTS TO FINANCE DEVELOPMENT IN NON-OIL DEVELOPING COUNTRIES, ESPECIALLY IN THE FIELD OF ENERGY. WE STAND READY TO COOPERATE WITH THEM FOR THIS PURPOSE AND TO EXPLORE WITH THEM, IN A SPIRIT OF PARTNERSHIP, POSSIBLE MECHANISMS, SUCH AS THOSE BEING EXAMINED IN THE WORLD BANK, WHICH WOULD TAKE DUE ACCOUNT OF THE IMPORTANCE OF THEIR FINANCIAL CONTRIBUTIONS.

19. WE RECOGNIZE THE IMPORTANCE OF ACCELERATED FOOD PRODUCTION IN THE DEVELOPING WORLD AND OF GREATER WORLD FOOD SECURITY, AND THE NEED FOR DEVELOPING COUNTRIES TO PURSUE SOUND AGRICULTURAL AND FOOD POLICIES., WE WILL EXAMINE WAYS TO MAKE INCREASED RESOURCES AVAILABLE FOR THESE PURPOSES. WE NOTE THAT THE ITALIAN GOVERNMENT HAS IN MIND TO DISCUSS WITHIN THE EUROPEAN COMMUNITY PROPOSALS TO BE PUT FORWARD IN CLOSE COOPERATION WITH THE SPECIALIZED U.N. INSTITUTIONS LOCATED IN ROME FOR SPECIAL ACTION IN THIS FIELD PRIMARILY DIRECTED TO THE POOREST COUNTRIES.

20. WE ARE DEEPLY CONCERNED ABOUT THE IMPLICATIONS OF WORLD POPULATION GROWTH. MANY DEVELOPING COUNTRIES ARE TAKING ACTION TO DEAL WITH THAT PROBLEM, IN WAYS SENSITIVE TO HUMAN VALUES AND DIGNITY., AND TO DEVELOP HUMAN RESOURCES, INCLUDING TECHNICAL AND MANAGERIAL CAPABILITIES. WE RECOGNIZE THE IMPORTANCE OF THESE ISSUES AND WILL PLACE GREATER EMPHASIS ON INTERNATIONAL EFFORTS IN THESE AREAS.

TRADE (UNDERLINED)

21. WE REAFFIRM OUR STRONG COMMITMENT TO MAINTAINING LIBERAL TRADE POLICIES AND TO THE EFFECTIVE OPERATION OF AN OPEN MULTILATERAL TRADING SYSTEM AS EMBODIED IN THE GATT.

22. WE WILL WORK TOGETHER TO STRENGTHEN THIS SYSTEMS IN THE INTEREST OF ALL TRADING COUNTRIES, RECOGNIZING THAT THIS WILL INVOLVE STRUCTURAL ADAPTATION TO CHANGES IN THE WORLD ECONOMY.

23. WE WILL IMPLEMENT THE AGREEMENTS REACHED IN THE MULTILATERAL TRADE NEGOTIATIONS AND INVITE OTHER COUNTRIES, PARTICULARLY DEVELOPING COUNTRIES, TO JOIN IN THESE MUTUALLY BENEFICIAL TRADING ARRANGEMENTS.

24. WE WILL CONTINUE TO RESIST PROTECTIONIST PRESSURES, SINCE WE RECOGNIZE THAT ANY PROTECTIONIST MEASURE, WHETHER IN THE FORM OF

OVERT OR HIDDEN TRADE RESTRICTIONS OR IN THE FORM OF SUBSIDIES TO PROP UP DECLINING INDUSTRIES, NOT ONLY UNDERMINES THE DYNAMISM OF OUR ECONOMIES BUT ALSO, OVER TIME, AGGRAVATES INFLATION AND UNEMPLOYMENT.

25. WE WELCOME THE NEW INITIATIVE REPRESENTED BY THE PROPOSAL OF THE CONSULTATIVE GROUP OF EIGHTEEN THAT THE GATT CONTRACTING PARTIES CONVENE A MEETING AT MINISTERIAL LEVEL DURING 1982, AS WELL AS THAT OF THE OECD COUNTRIES IN THEIR PROGRAMME OF STUDY TO EXAMINE TRADE ISSUES.

26. WE WILL KEEP UNDER CLOSE REVIEW THE ROLE PLAYED BY OUR COUNTRIES IN THE SMOOTH FUNCTIONING OF THE MULTILATERAL TRADING SYSTEM WITH A VIEW TO ENSURING MAXIMUM OPENNESS OF OUR MARKETS IN A SPIRIT OF RECIPROCITY, WHILE ALLOWING FOR THE SAFEGUARD MEASURES PROVIDED FOR IN THE GATT.

27. WE ENDORSE EFFORTS TO REACH AGREEMENT BY THE END OF THIS YEAR ON REDUCING SUBSIDY ELEMENTS IN OFFICIAL EXPORT CREDIT SCHEMES.

ENERGY (UNDERLINED)

28. WE ARE CONFIDENT THAT, WITH PERSEVERANCE, THE ENERGY GOALS WE SET AT VENICE FOR THE DECADE CAN BE ACHIEVED, ENABLING US TO BREAK THE LINK BETWEEN ECONOMIC GROWTH AND OIL CONSUMPTION THROUGH STRUCTURAL CHANGE IN OUR ENERGY ECONOMIES.

29. RECOGNIZING THAT OUR COUNTRIES ARE STILL VULNERABLE AND ENERGY SUPPLY REMAINS A POTENTIAL CONSTRAINT TO A REVIVAL OF ECONOMIC GROWTH, WE WILL ACCELERATE THE DEVELOPMENT AND USE OF ALL OUR ENERGY SOURCES, BOTH CONVENTIONAL AND NEW, AND CONTINUE TO PROMOTE ENERGY SAVINGS AND THE REPLACEMENT OF OIL BY OTHER FUELS.

30. TO THESE ENDS WE WILL CONTINUE TO RELY HEAVILY ON MARKET MECHANISMS, SUPPLEMENTED AS NECESSARY BY GOVERNMENT ACTION.

31. OUR CAPACITY TO DEAL WITH SHORT-TERM OIL MARKET PROBLEMS SHOULD BE IMPROVED, PARTICULARLY THROUGH THE HOLDING OF ADEQUATE LEVELS OF STOCKS.

32. IN MOST OF OUR COUNTRIES PROGRESS IN CONSTRUCTING NEW NUCLEAR FACILITIES IS SLOW. WE INTEND IN EACH OF OUR COUNTRIES TO ENCOURAGE GREATER PUBLIC ACCEPTANCE OF NUCLEAR ENERGY, AND RESPOND TO PUBLIC CONCERNS ABOUT SAFETY, HEALTH, NUCLEAR WASTE MANAGEMENT AND NON-PROLIFERATION. WE WILL FURTHER OUR EFFORTS IN THE DEVELOPMENT OF ADVANCED TECHNOLOGIES, PARTICULARLY IN SPENT FUEL MANAGEMENT.

33. WE WILL TAKE STEPS TO REALIZE THE POTENTIAL FOR THE ECONOMIC PRODUCTION, TRADE AND USE OF COAL AND WILL DO EVERYTHING IN OUR POWER TO ENSURE THAT ITS INCREASED USE DOES NOT DAMAGE THE ENVIRONMENT.

34. WE ALSO INTEND TO SEE TO IT THAT WE DEVELOP TO THE FULLEST POSSIBLE EXTENT SOURCES OF RENEWABLE ENERGY SUCH AS SOLAR, GEOTHERMAL AND BIOMASS ENERGY. WE WILL WORK FOR PRACTICAL ACHIEVEMENTS AT THE FOURTHCOMING UNITED NATIONS CONFERENCE ON NEW AND RENEWABLE SOURCES OF ENERGY.

35. WE LOOK FORWARD TO IMPROVED UNDERSTANDING AND COOPERATION WITH THE OIL EXPORTING COUNTRIES IN THE INTERESTS OF THE WORLD ECONOMY.

EAST-WEST ECONOMIC RELATIONS (UNDERLINED)

36. WE ALSO REVIEWED THE SIGNIFICANCE OF EAST-WEST ECONOMIC RELATIONS FOR OUR POLITICAL AND SECURITY INTERESTS. WE RECOGNIZED THAT THERE IS A COMPLEX BALANCE OF POLITICAL AND ECONOMIC INTERESTS AND RISK IN THESE RELATIONS. WE CONCLUDED THAT CONSULTATIONS AND, WHERE APPROPRIATE, COORDINATION ARE NECESSARY TO ENSURE THAT, IN THE FIELD OF EAST-WEST RELATIONS, OUR ECONOMIC POLICIES CONTINUE TO BE COMPATIBLE WITH OUR POLITICAL AND SECURITY OBJECTIVES.

37. WE WILL UNDERTAKE TO CONSULT TO IMPROVE THE PRESENT SYSTEM OF CONTROLS ON TRADE IN STRATEGIC GOODS AND RELATED TECHNOLOGY WITH THE U.S.S.R.

CONCLUSION (UNDERLINED)

38. WE ARE CONVINCED THAT OUR DEMOCRATIC, FREE SOCIETIES ARE EQUAL TO THE CHALLENGES WE FACE. WE WILL MOVE FORWARD TOGETHER AND WITH ALL COUNTRIES READY TO WORK WITH US IN A SPIRIT OF COOPERATION AND HARMONY. WE HAVE AGREED TO MEET AGAIN NEXT YEAR AND HAVE ACCEPTED THE INVITATION OF THE PRESIDENT OF THE FRENCH REPUBLIC TO HOLD THIS MEETING IN FRANCE. WE INTEND TO MAINTAIN CLOSE AND CONTINUING CONSULTATION AND COOPERATION WITH EACH OTHER.