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Office of the White House Press Secretary

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THE WHITE HOUSE

BACKGROUND INFORMATION

The International Summit  
Puerto Rico

June 27-28, 1976

The interdependence which has come to exist among the industrial democracies, and the complexity of the common problems they face, has led to recognition of the need for intense consultation and cooperation among their leaders on the broad range of challenges and opportunities before them. This must be done on an ongoing basis both to build consensus for common action and to anticipate and resolve problems in order to prevent their developing into disruptive crises.

The Rambouillet Summit, which was held on November 15-17 last year, served to underline the importance of an intensive exchange of views among the leaders of the major industrialized democracies on developments in the world economy and on common problems affecting their nations. Among the issues discussed at Rambouillet were efforts to sustain economic recovery, achieve monetary reform and improvement in international monetary and financial cooperation, accelerate progress in the multilateral trade negotiations in Geneva, promote an orderly and fruitful increase in the economic relations with the socialist countries, cooperate to reduce dependence on imported energy, and establish a constructive dialogue with the developing nations.

In the months since Rambouillet significant progress has been made in the world economy. The Rambouillet agreement made an important contribution to such progress:

- There was agreement on the need to achieve sustained expansion without inflation. While it is impossible to calculate precisely the contribution of Rambouillet, it is clear that it served to help reinforce the determination of the leaders to resist pressures for excessive stimulation and to take the politically difficult decisions necessary to place their nations on the road to stable economic recovery.
- The participants committed themselves to resist protectionist pressures and to continue to press for a successful conclusion to the multilateral trade negotiations in Geneva. Subsequently, despite intense domestic

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difficulties, they have demonstrated the strength of their collective committment in both areas.

- Agreement was reached on a basis for reform of the international monetary system. This agreement set the stage for the January meeting of the IMF Interim Committee in Jamaica, where a comprehensive agreement was reached combining long-term structural reforms with measures to meet the more immediate financing needs of various countries.
- The participants agreed to work toward urgent improvements in international arrangements for the stabllization of export earnings of developing countries. This was turned into reality at the Jamaica Interim Committee meeting.

Since Rambouillet circumstances in a number of areas have changed. Many economies are accelerating at a satisfactory rate; in fact a number are growing at a pace somewhat faster than had been anticipated. The coming summit will provide an opportunity to discuss the present phase of the participants' efforts to achieve sustained economic expansion, and thus can prove helpful in identifying potential problems and possible means of avoiding them.

This meeting also occurs at an important moment in the evolving relationship between the industrialized and developing nations. The participants will have the opportunity to assess the results of the recently concluded UNCTAD meeting in Nairobi. They can discuss additional steps which can be taken in coming months in the Conference on International Economic Cooperation in Paris to enhance the dialogue between the developed and developing nations with a view toward mutually beneficial arrangements.

Consumer cooperation to reduce dependence on imported oil and increased momentum in the multilateral trade negotiations to achieve a more open and improved international trading order are likely also to be discussed, along with other subjects of mutual interest.

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