

international economic policy co-ordination by undertaking periodic reviews of economic policies and performance, including exchange rate levels. This process led to the Louvre Accord of February 22, 1987, an agreement designed to achieve more balanced global growth and to reduce trade imbalances.

At Canada's initiative and with strong support from the U.S., leaders at Tokyo expressed for the first time their common concern about the subsidy practices and protectionist measures that are distorting world markets for agricultural products. Summit leaders secured a consensus on moving forward with the MTN, which was formally launched at Punta del Este, Uruguay, in September 1986.

The Tokyo Summit endorsed the co-operative debt strategy initiative, which welcomed closer co-operation among international financial institutions. The Tokyo Summit also called attention to the importance of an early and substantial replenishment of the International Development Association (IDA VIII) — the concessional lending arm of the World Bank — to meet the growing needs of developing nations.

At the Venice Economic Summit in 1987, leaders were encouraged by continued, though slower, economic growth; and by continued low rates of inflation and generally reduced interest rates. They endorsed the strategy adopted by the G-7 finance ministers in Paris in February 1987 (the Louvre Accord). The leaders reaffirmed their support for the multilateral trading system and the Uruguay Round, and advanced the call for an MTN mid-term review by ministers. They endorsed the OECD ministerial agreement on agriculture, which recognized that domestic support policies distort world agricultural trade. Leaders called for special treatment of the world's poorest countries and urged that agreement be reached on specific measures (expansion of the Structural Adjustment Facility of the IMF).

The changes to format introduced by Canada at the 1988 Toronto Summit encouraged greater spontaneity in the discussions, and yet ensured a "business-like" meeting that focussed on the key economic issues. At Toronto, leaders renewed their commitment to co-operative action to maintain non-inflationary economic growth while reducing global imbalances. Canada also sought, and achieved, progress on trade liberalization (including agriculture), on proposals to ease the debt burdens of the poorest developing countries ("Toronto terms"), and on measures to protect the global environment. Leaders also strongly welcomed the Canada-U.S. Free Trade Agreement as a step towards a more open, multilateral trading system and as a catalyst for the liberalizing impact of the Uruguay Round.

The third cycle of economic summits commenced with the Paris Summit (the Summit of the Arch) in 1989. Continuing their focus on the

environment, leaders agreed on the need to develop a set of indicators which would take into account and reflect the environmental impact of economic policies and business decisions. Initiatives were also promoted to address such diverse issues as technology transfer, ozone depletion, climate change, energy conservation, deforestation and protection of the marine environment. The concept of sustainable development, promoted in Toronto, was strongly endorsed in the Paris Declaration.

Trafficking in narcotics and the associated problem of money laundering were also major issues at Paris. Leaders committed their countries to several measures that would combat the production of illicit drugs and reduce the demand for them. The Financial Action Task Force was created to assess the results of international co-operative efforts to prevent the use of financial institutions for money laundering and to consider additional preventive measures.

Global political issues frequently feature in summit discussions. The 1979 Tokyo Summit focussed world attention on the plight of Indo-Chinese refugees. The Soviet invasion of Afghanistan and its effects on East-West relations were highlighted at Venice in 1980. In Tokyo in 1986, leaders addressed the implications of the nuclear accident at Chernobyl. At Venice in 1987, the political situation in South Africa was discussed. The violent repression of students by Chinese authorities was condemned in Paris last year.

Several facets of East-West relations have been discussed at economic summits. Leaders at Versailles in 1982 agreed on a general approach to East-West economic relations, which carried over subsequently into the development of more specific policies at NATO and the OECD. At Toronto in 1988, the impact of East-West relations on global security and human rights were highlighted. At Paris in 1989, leaders asked the European Commission to co-ordinate assistance for Poland and Hungary to further economic and political reforms in these countries (in what came to be known as the G-24 exercise).

Terrorism has been the subject of separate declarations at a number of summits, with Canada playing a major role in the adoption of the Declaration on International Air Hijacking at Bonn in 1978 and the Statement on International Terrorism at Tokyo in 1986. In Venice in 1980, leaders issued a statement which condemned the taking of diplomatic hostages and urged states to become parties to the International Convention Against the Taking of Hostages. In Venice in 1987, leaders took further steps to strengthen and extend the Bonn Declaration on International Air Hijacking.

The Houston Summit will provide leaders with a further opportunity to survey global political developments.