

As a nation dependent on international trade, Canada has consistently favoured progressive trade liberalization. In addition, any action or decision made on exchange rates is of critical importance to Canada. Accordingly, it is important for Canada to be at the table where such decisions or courses of action are taken.

The importance of summit participation for Canada has increased over the years. The globalization of finance, trade and information during the 1980s and 1990s and the need to respond to the collapse of the Soviet bloc have highlighted the need for international economic co-operation. Canada's prosperity and security is directly related to its ability to influence the direction of international affairs, and its role in the economic summits will continue to be critical. Canada's recognized commitment to the development of a rules-based international system adds credibility to its participation in the summit process.

Possibly the most valuable outcome of the economic summits is the role they play in setting a common framework for G-7 economic policies. They can demonstrate to the world that the leaders of the seven leading industrial economies can discuss, and agree on, a collective approach to economic growth. In doing so, they can send a vital message of confidence to businesses, governments and consumers around the world.

Summits can also advance political issues important to Canada. For example, G-7 action in support of reforms in the countries of the former Soviet Union and Central and Eastern Europe has promoted global security and has assured a greater sharing of burdens among contributors. In turn, successful institutional and economic transition in these countries is creating new opportunities for Canadian exporters and investors.

Canada is also able to use summits to raise issues of domestic concern to Canadians. At the 1991 London Summit, for example, Canada was able to obtain a particularly strong declaration urging nations to protect living marine resources and to comply with regimes established by regional fisheries organizations.

Canada's non-colonialist past, its clear commitment to multilateralism and its status as a major donor country have allowed it to assume a valuable intermediary role between the major industrial powers and the less-developed countries. Canada has used the summits to promote a number of initiatives which benefit less-developed countries, such as more favourable treatment of debt, which was agreed to at the Toronto Summit in 1988.