

tem that is based on rules; the sort of free-for-all that would prevail in a system without rules would be extremely damaging to all but the economic giants.

Canada also uses the summits to raise issues that are important domestically. In 1991, for example, Canada was concerned about the depletion of its fisheries, and was able to obtain a strong declaration from G-7 members on protecting living marine resources.

Few decisions are made at the G-7 summits; their purpose is more to set the international agenda. The leaders learn about how their economies are linked. They are able to sit down and talk candidly to one another. They get a chance to assess each other's priorities. They are able to put in place a more co-ordinated response to political and economic problems. By taking joint action, the G-7 sends a message of confidence to businesses, governments and consumers around the world. For Canada, the stability promoted by the summits is critical to every major sector of the economy.

SUMMIT HISTORY

At the previous 20 summits a variety of topics have come to the fore. The early meetings all concentrated on dealing with the aftershocks of the oil price increases. The 1980 meeting saw the first political event making it onto the agenda as the leaders discussed the Soviet Union's invasion of Afghanistan.

"In the past, world leaders have met to deal with crises, but today's complex problems require that leaders meet to avoid them."

U.S. President Gerald Ford
at the 1976 Puerto Rico Summit.

In 1981, Canada hosted its first G-7 summit — the Ottawa Summit, held in nearby Montebello, Quebec. North/South issues were an important item on the agenda, as the leaders discussed the relationship between developed and developing countries. However, the minds of most were focussed on the world's economic woes. There was inflation, low growth, rising unemployment, balance of payments deficits and high interest rates. The leaders discussed the linked problems of unemployment and inflation at length.

In Tokyo in 1986, the leaders agreed that

The summits fit into a pattern of other meetings. Finance ministers and their deputies from the seven nations meet regularly; so do central bank governors and other senior officials. There are consultations through such bodies as the International Monetary Fund (IMF), the World Bank, the Organization for Economic Co-operation and Development (OECD), and the World Trade Organization (WTO). Political issues are dealt with in the United Nations and other international fora. While the leaders paint the broad brush strokes of political and economic policy, it is the officials a little further down the chain of command who fill in the details.

world trade needed to be freed from some of the barriers that nations had put up to protect domestic industries. In that vein, Canada raised the issue of agriculture. A fierce price war between the United States and the European Union was causing havoc in the world's grain market.

Canada's second summit was held in Toronto in 1988, and agreement was reached on a new debt-relief package for the world's poorest nations. Canada joined with Italy and Germany to push hard for more concerted action on such global problems as acid rain and the ozone layer.

By 1990, providing aid to the collapsing Soviet Union was at the top of the agenda (see sidebar). The leaders also tried to break the deadlock in the Uruguay Round of trade talks under the General Agreement on Tariffs and Trade (GATT). During the early '90s, the G-7 summits focussed on encouraging a global recovery and on dealing with unemployment.

Job creation, economic growth, peace and security, the environment, aid to developing countries and other topics will be prominent when leaders of the world's most powerful industrial democracies gather again in Halifax in June.

SUMMIT VENUES

- 1975 — Rambouillet, France
- 1976 — Puerto Rico
- 1977 — London, England
- 1978 — Bonn, West Germany
- 1979 — Tokyo, Japan
- 1980 — Venice, Italy
- 1981 — Ottawa, Canada
- 1982 — Versailles, France
- 1983 — Williamsburg, U.S.
- 1984 — London, England
- 1985 — Bonn, West Germany
- 1986 — Tokyo, Japan
- 1987 — Venice, Italy
- 1988 — Toronto, Canada
- 1989 — Paris, France
- 1990 — Houston, U.S.
- 1991 — London, England
- 1992 — Munich, West Germany
- 1993 — Tokyo, Japan
- 1994 — Naples, Italy
- 1995 — Halifax, Canada