

cern for discussion of the Bonn Economic Summit, the US space defence program and trade between the countries.

Britain is Canada's third largest trading partner after the US and Japan and the leading market in western Europe. It is also Canada's second largest market for fully manufactured goods after the US. In 1984, Britain purchased \$2.443 billion of Canadian products, representing some 35 per cent of sales to the European Economic Community market. In the same year imports from Britain amounted to \$2.310 billion.

Speaking at a dinner in London, Mr. Mulroney said that Canada has "taken steps to refurbish our relationship with the United States". He stressed however that in doing so the country's sovereign independence would not be sacrificed.

He added that efforts to increase trade with the US did not "lessen in any way our commitment to Britain or our allies in Europe". He said that Canada "shall be working with you to find new ways of enhancing our



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*Prior to attending the Bonn Economic Summit, Mr. Mulroney met with Prime Minister Margaret Thatcher in London.*

mutual trade, technological exchanges and common defence. Though we may evolve in different ways, our two countries have much in common. Our shared commitment to peace and security is unassailable".

Mr. Mulroney also said that Canada's "renewed confidence is already having a positive impact on our international relationships. We are proud to be members of the North Atlantic Treaty Organization alliance which stands for the defence of our highest values and aspirations". Recently, an additional 1 200 Canadian troops were scheduled to be added to the force in Europe.

### Economic summit meetings

The heads of the major industrialized countries have met at economic summit meetings annually since they were first initiated by the president of France in 1975. Canada's participation began in 1976.

While the summits are essentially economic in character, political issues of concern at the time have also been discussed.

The summits are not decision-making forums but they have enabled the leaders of the industrialized democracies to gain a deeper appreciation of the extent to which their economies are linked, to strengthen consensus on key issues, to pursue a more co-ordinated response to economic problems and where necessary to generate new policy initiatives.

**1975 - Rambouillet.** Discussions centered on the turbulent economic situation that followed the first oil price shock.

**1976 - Puerto Rico.** The main objective was to achieve a consensus on sustaining stable economic expansion while reducing the continuing high levels of unemployment.

**1977 - London.** Economic recovery was also the principal theme of this summit. The outcome reflected an increased recognition of the fundamental structural changes taking place in the world economy and concern over the social and political implications posed by the economic strains.

**1978 - Bonn.** A program of concerted action that called for an expansion of domestic demand, greater co-operation with the less developed countries, and co-operation to reduce dependence on imported oil, was endorsed.

**1979 - Tokyo.** With the second OPEC price shock, energy issues were at the forefront of the summit. The leaders focused on the need for policies aimed at promoting structural adjustment to reflect the new economic realities.

**1980 - Venice.** Energy was again the main theme at the summit and agreement was reached on a ten-year strategy to break the link between economic growth and oil consumption as well as agreement on the need to respond to the acute problems of the Third World, notably energy development in non-oil developing countries. The Soviet invasion of Afghanistan and its effects on East-West relations was also discussed.

**1981 - Ottawa.** This summit aimed at achieving more informal discussion among leaders and focused on a somewhat

broader range of issues. The fight against inflation was seen as a necessary condition for sustained growth and emphasis was placed on the need for restraint in public borrowing and monetary growth as well as on the desirability of minimizing the volatility of interest and exchange rates. It was also recognized that national policies should take account of their effects on others. On trade issues leaders reaffirmed their strong commitment to maintaining liberal trade policies and endorsed efforts to reach agreement on reducing subsidy elements in official export credit schemes. A special theme was North/South co-operation.

**1982 - Versailles.** Agreement was reached to study exchange markets to ensure orderly conditions and it was also agreed to study ways of achieving greater convergence of economic performance. Leaders agreed on a general approach to East-West economic relations. On the North/South dialogue, a detailed response was given to the South's proposal for a program of global negotiations. Special attention was devoted to technology issues, and a Summit Working Group on Technology, Growth and Employment was established.

**1983 - Williamsburg.** The central theme was how to strengthen and broaden the emerging recovery. Leaders agreed to pursue policies conducive to low inflation, reduced interest rates and budget deficits and enhanced employment opportunities. They also committed themselves to halting protectionism and to dismantling trade barriers as the recovery proceeded.

**1984 - London.** Leaders focused on prospects for strengthening and broadening growth. Regarding developing country debt, they endorsed a continuation of the flexible case-by-case approach. As a result of an initiative by Canada it was also agreed that a special meeting of the IMF Interim Committee and the IMF/World Bank Development Committee might be held to look at the interlinked problems of debt, trade, financial flows and development. Other areas of discussion included expanded environmental co-operation, relations with developing countries, and political issues, especially East-West relations, common democratic values and terrorism.

**1985 - Bonn.**

**1986 - Japan.**