

LONDON ECONOMIC SUMMIT

This year's Economic Summit, the 17th annual meeting of leaders from the seven major industrial democracies (G-7 countries) and from the European Community, will take place in London, July 15-17, 1991.

Significant economic and political events have transpired since the Houston Economic Summit of 1990. These will form the backdrop of the leaders' discussions during the course of their meeting.

Prominent on the agenda of summit leaders will be the rapid and serious deterioration of conditions in the Soviet Union. Leaders will likely review the prospects for initiatives that might be undertaken to assist President Gorbachev in achieving his domestic reform objectives. Mr. Gorbachev's planned meeting with leaders following the summit will provide an opportunity for a full discussion of these matters.

The global economic downturn over the past 12 months ended eight years of record growth for most summit countries. Signs of a turnaround began to emerge, however, in the spring and early summer of this year. Leaders will exchange views on the need to sustain a medium-term strategy for steady, non-inflationary growth.

Leaders can be expected to review the progress in the Uruguay Round of multilateral trade negotiations by the General Agreement on Tariffs and Trade. They will discuss means of bringing this GATT round to a successful and early conclusion, and they will consider what lies ahead on the international trade agenda.

Globalization is generating profound changes in the patterns of economic growth, leading to greater interdependence among nations. This, in turn, is prompting the evolution of international — as well as domestic — institutions, policies and practices as countries seek to adapt to new economic realities. Increasing economic efficiency has consequently become a concern of the G-7 countries, and leaders will exchange views on reforms that might lead to improved global economic performance.

The Gulf War accentuated the political fragility and economic disparities of the region, and highlighted the perils to world peace posed by the unchecked proliferation of conventional and unconventional arms and delivery systems. It also drew the world's attention to the benefits of an enhanced collective-security role for the United Nations in resolving disputes. These interrelated concerns will constitute an important set of items on the summit agenda.

Reflective of the prominence the issue has achieved on domestic fronts over the past decade, the environment held an important position on the agendas of the two previous summits, in Paris and Houston, and will do so again in London. Leaders are expected to discuss the state of negotiations in preparation for the United Nations Conference on Environment and Development to be held in Brazil in June 1992.

The Gulf War's profound impact on the environment of the Middle East may prompt discussions on ways to prompt quick international reaction to large-scale environmental disaster. Leaders may also encourage work under way in a variety of fora in addition to the United Nations — which broadens further the multilateral approach to the environment.

Summit leaders will review the process of economic and political reform under way in Central and Eastern Europe and assess the effectiveness of assistance to the region to date. This has included providing direct balance-of-payments assistance, trade credits and guarantees, technical assistance, and debt relief; and establishing a regional lending institution, the European Bank for Reconstruction and Development.

In the developing world, there are encouraging trends toward realistic, market-oriented economic policies in many countries. Leaders will likely review this trend and the impact of globalization (especially the prospects of a successful Uruguay Round) on development prospects, and the evolution of the international debt strategy. They may