
THE TOKYO ECONOMIC SUMMIT

This year's economic summit, the 19th annual meeting of leaders of the seven major industrialized democracies (the G-7 countries) and the president of the Commission of the European Communities, will take place in Tokyo, Japan, from July 7 to 9. It will be the first G-7 summit for the two North American leaders, President Clinton of the United States and Prime Minister Kim Campbell, Canada's new prime minister. Russian President Yeltsin will join the leaders for discussions at the conclusion of the summit.

Key economic issues likely to take a prominent place in the leaders' discussions include growth and employment, international trade and the Uruguay Round of GATT negotiations, economic and political relations with Russia, and relations with developing countries. The political agenda includes such issues as strengthening international co-operation through the United Nations, improving peacekeeping, and preventing nuclear proliferation. Relations with Central and Eastern Europe, nuclear power plant safety and management of nuclear waste, environment issues, and the major political issues dominating international attention will also be addressed.

Economic recovery in the G-7 countries will be on the minds of leaders and finance ministers. The performance of the G-7 economies has been uneven over the past year. While they are in different phases of the business cycle, the challenge faced by the G-7 countries is the same: how to achieve sustainable, non-inflationary growth and, with the notable exception of Japan, how to deal effectively with unemployment levels that remain unacceptably high. Both cyclical and structural causes of these problems are likely to be discussed.

The further liberalization of international trade continues to be important to global economic growth. Leaders are expected to discuss progress in the multilateral trade negotiations and ways to bring the Uruguay Round to a successful conclu-

sion by the end of the year. Discussions at this year's summit will focus on achieving a comprehensive and balanced package of commitments to market access for goods and services.

In anticipation of discussions in Tokyo, trade ministers from Canada, Japan, the United States and the European Community met in Toronto on May 14 to raise critical issues of market access. Trade ministers also met at the Organization for Economic Co-operation and Development (OECD) ministerial meeting in Paris June 2 and 3 to discuss these issues. The momentum from these meetings is expected to carry forward to summit discussions.

The Uruguay Round of trade negotiations cannot succeed without political will at the highest levels of governments. Preparation for the summit and the summit itself can reinforce efforts within the G-7 countries to bring the Uruguay Round to a successful conclusion before the end of the year.

The economic and political stability of Russia, Ukraine and other newly independent countries of the former Soviet Union and Central and Eastern Europe continues to be a matter of interest and concern. The summit countries, through international financial institutions, are committing substantial financial and technical support to these countries to ease their transition to market-based economies.

Summit leaders will meet with President Yeltsin to discuss his reform efforts. They are likely to review the progress made in implementing the assistance package agreed to at the April G-7 joint ministerial meeting in Tokyo. The leaders will also discuss co-operation on political issues.

Varying rates of economic growth, globalization of manufacturing and investment, and liberalization of trade are likely to be discussed, as is the impact of these factors on relations between developed and developing countries. No longer