

importance of international co-operation. In fact, Canada's prosperity and security are directly related to its ability to influence the direction of international affairs. Canada's participation in G-7 summits will therefore continue to be critical.

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, collective approaches to economic growth and job creation. In doing so, they can send a vital message of confidence to businesses, governments and consumers around the world.

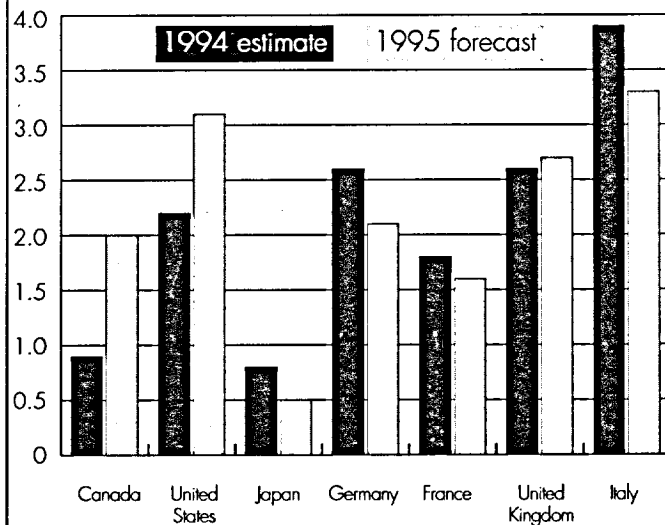
Summits can also advance political issues important to Canada. For example, G-7 action in support of reforms in the countries of the former Soviet Union and Central and Eastern Europe has promoted global security and has assured a greater sharing of burdens among contributors. In turn, successful institutional 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 1986 Tokyo Summit, for example, Canada led an initiative which, with the support of the United States, led leaders to express for the first time their concern over subsidy practices and protectionist measures that distort agricultural markets. As a result, when the Uruguay Round of multilateral trade negotiations was launched in September 1986, agriculture became one of the main issues on a broad agenda which included trade in goods and services, new trade rules and the creation of a multilateral trade organization to manage the outcome of the negotiations. In London in 1991, Canada played a crucial role in obtaining a very strong declaration urging nations to protect living marine resources and to comply with regimes established by regional fisheries organizations.

At the Naples Summit, Canada gained international support for its domestic policies on job creation and growth, created continued momentum on trade liberalization, particularly in the area of new trade issues, and led on the subject of Ukraine by obtaining G-7 endorsement for the Canadian-hosted conference on Partnership for Economic Transformation in Ukraine held in Winnipeg, Manitoba, in October 1994.



Inflation in the G-7



Source: OECD