

TORONTO ECONOMIC SUMMIT

The Prime Minister of Canada will host the Economic Summit of major industrialized democracies on June 19-21, 1988, in Toronto. The annual economic summits are the most visible element of a broader, complex process of international consultation and cooperation in the management of the world economy. The summits are closely linked to work done in other international fora including the International Monetary Fund (IMF), the World Bank, the General Agreement on Tariffs and Trade (GATT), the Organization for Economic Cooperation and Development (OECD), and the Group of Seven Finance Ministers.

Prime Minister Mulroney, President Reagan, and the other leaders at Toronto will review the progress made since the Venice Summit on a wide range of problems facing the world economy. The Summit leaders will seek to strengthen initiatives taken in such fields as economic policy coordination, trade (including agriculture), and debt. Economic summits have also traditionally dealt with major political developments of the day, including East-West relations, arms control, and regional issues.

A major challenge of the Toronto Summit will be to ensure strong and credible leadership in economic policy, and to reinforce confidence at a time of market vulnerability and turbulence. Summit leaders will need to demonstrate their ability to work together to maintain economic growth while eliminating trade surpluses and deficits.

While Summit countries have enjoyed an extended period of growth, trade imbalances have persisted and, despite an improvement in the US export position, protectionist pressures have continued, particularly in the United States. Ensuring that there is a continuing strong commitment by leaders to deal vigorously with global protectionism will be one of Canada's goals at the Toronto Summit. Prime Minister Mulroney will urge his Summit partners to give further impetus to the Uruguay Round of the Multilateral Trade Negotiations, and particularly to its Mid-Term Review Conference to be held in Montreal in December 1988.