

## Past Summits



Venice 1980.

In 1975, at the suggestion of President Valéry Giscard d'Estaing, representatives of the six largest free market industrial nations met at the Château de Rambouillet, a French Government hunting lodge outside Paris, in an attempt to set unified economic goals.

The recession which began in the early seventies had worsened rapidly with the fourfold OPEC hike in oil prices. The six leaders took an overall, policy-oriented approach rather than a narrow technical one. By concerting their economic policies (and by mutual reinforcement) it was believed they could assure recovery without fueling inflation. The leaders reached tentative agreements on new guidelines for currency exchange rates, aimed at eliminating erratic fluctuations in the values of their currencies. They identified economic recovery and the reduction of unemployment as their common major goals and ended on a cheerful note: recovery, they believed, was already underway.

They made it clear that they were not interested in establishing another international institution and that they wanted, as Allan Gotlieb, Canada's Under-Secretary of State for External Affairs, would put it later, "to find a way of leapfrogging the national and international bureaucracies."

The following year at Puerto Rico, where the United States was host and Canada a new participant, the leaders decided the emergency had passed. "Renewed confidence in the future has replaced doubts about the economic and financial outlook," they said. "Economic recovery is underway and . . . [the] restoration of balanced growth within our grasp."

In 1977, in London, the President of the European Commission became a regular participant. By that time, the sense of well-being had faded. The leaders of the United States, West Germany and Japan, the stronger economies at

the time, agreed to ease trade restrictions to help lift the economies of the other four. It was recognized that some goals, if not contradictory, were also not complementary, and across-the-board achievement would be difficult. An abrupt easing of trade restrictions could damage vital domestic industries, and a campaign to increase growth could increase inflation. They did, however, pledge to cooperate on a series of measures to combat unemployment and facilitate international trade. They agreed to conserve energy and push the development of alternative power sources including nuclear energy. They also invited the USSR and the Eastern bloc to join in giving economic aid to the developing nations.

In 1978, when the leaders met in Bonn, the focus was still on growth, inflation and, with particular emphasis, employment. They gave a hard (and, as it turned out, successful) push to the Multilateral Trade Negotiations. There was formal recognition that "we are dealing with long-term problems which will yield only to sustained efforts." The final communiqué noted that "in spite of some improvement," the energy situation remained unsatisfactory, and the leaders promised to reduce dependence on imported oil.

By 1979 there had been a new 24 per cent increase in crude oil prices, and energy problems moved to the forefront at the Tokyo meeting. The leaders agreed to reduce oil consumption drastically by the early 1980s, to foster conservation and to move into other sources of energy.

Last year at Venice the leaders reaffirmed that the reduction of inflation was their first priority. Energy was still a major concern, and they announced a detailed, decade-long strategy to 'break the link' between economic growth and oil consumption and to foster the use of alternative energy sources. The overlap of economic problems and political questions and the problems of the developing world were given specific attention.