

At the 1981 Ottawa Summit, for example, the focus on relations between developed and developing countries led to the North-South Summit in Cancun, Mexico. Since the Toronto Summit of 1988, growing awareness of environmental concerns has linked economic development and environmental protection as an international priority.

Recent summits have addressed the issue of reconstruction in Central and Eastern Europe. In 1989, leaders asked the Commission of the European Communities to take the steps necessary to coordinate assistance in support of reforms in Poland and Hungary. Since then, assistance through the 24 member countries of the Organization for Economic Cooperation and Development has been extended to all the countries of the region.

In 1989 U.S.S.R. President Mikhail Gorbachev wrote to summit leaders outlining his objective of integrating the Soviet Union into the international economic system. At the Houston Summit of 1990, leaders asked four organizations to jointly study the Soviet economy and recommend reform. The four were the International Monetary Fund, the International Bank for Reconstruction and Development, the Organization for Economic Cooperation and Development, and the European Bank for Reconstruction and Development.

The next year, immediately following the London Summit, leaders met with President Gorbachev to review his reform plans. Following the Munich Summit this year, leaders will review developments in Russia with President Boris Yeltsin.

CANADA'S PLACE AT THE ECONOMIC SUMMIT

Canada joined the economic summit process in 1976, a time of instability and change. Oil price shocks, instability in financial markets and economic uncertainty underlined the need for expanded dialogue and policy coherence among the leading industrial democracies.

Canada was then, as now, the world's seventh largest industrialized economy. During a time of uncertain energy and raw material supplies, Canada's wealth of natural resources was important to Western countries. As well, Canada could

assume a valuable intermediary role between the major industrial powers and the less developed countries because Canada was active in many major international groups and had never been a colonial power.

Since the mid-1970s, the importance of summit participation for Canada has increased. The globalization of finance, trade and information during the 1980s and 1990s, along with the need to respond to the collapse of the Soviet bloc, has highlighted the need for international economic coordination and cooperation through leadership from the leading industrialized countries.

Canada's prosperity and security is directly related to its ability to influence the direction of international affairs, and its role in the economic summits will continue to be critical. Canada's commitment to the development of a rule-based international system adds credibility to its participation.

Possibly the most valuable outcome of the economic summits is their role in setting a framework for G-7 economic policies. By demonstrating to the world's 180 countries that the leaders of the seven largest industrial economies can discuss and agree on a collective approach to economic growth, the summits send a message of confidence to businesses, governments and consumers around the world.

Each summit has focused on the key economic problems of the day, such as growth, inflation, trade liberalization and fiscal and monetary policy. This has a very real impact on the decisions and activities of key players in the global economy. For Canada, the maintenance of the stable and secure economic environment promoted by the Summits is critical to every major sector of its economy.

By participating in international support for reforms in Central and Eastern Europe and the former Soviet Union, Canada is contributing to global stability and helping to prevent the emergence of conditions that could lead to a return of the Cold War. In the longer term, a successful transition in these countries would open significant opportunities for Canadian businesses especially in sectors such as oil and gas where Canadian expertise is particularly pertinent.