

original with
NLW

Canadian High Commission



Haut Commissariat du Canada

June 14, 1988

Dear Colleague

All of our colleagues have agreed it would be useful to have a session on the communique before the opening of the Summit. Because of the arrival time of Jacques Attali, travelling with his President, it will be impossible to schedule such a meeting before 12.00 noon on 19 June. Therefore, I would suggest 12.00-14.00 working session. I will ensure that the draft communique is available to you on Saturday 18 June. Please confirm this proposal is acceptable to you.

Yours sincerely

SYLVIA OSTRY

Mr Nigel Wicks, CBE
Principal Private Secretary
to the Prime Minister
Prime Minister's Office
10 Downing Street
LONDON
SW1A 2AA

pa on Toronto file

(Handed over by ATTali
at Foul Slough Meeting)

Over the last fifteen years, Summits held by the major industrialized countries have punctuated international affairs. w

They have given leading decision makers from industrialized countries the opportunity to reflect upon the problems of their time, in an atmosphere of total freedom, while progressively developing an ever wider and ever more universal view. They have, in a number of fields, given effective impetus to international affairs and helped develop and clarify new ideas. They have encouraged a strengthening of the ties of solidarity that bind the Seven while making them aware of their new responsibilities both individually and collectively.

Through these Summits, industrialized countries have come better to understand the true meaning of their interdependence. For this interdependence is beneficial to them, economically, culturally, and socially. But it can also, if one is not careful, give rise to misunderstandings and tensions. Because they have contributed to greater unity of design and of action among industrialized countries, Summits held to date have helped defuse these possible dangers.

Finally, these Summits have helped industrialized countries overcome a number of contradictions, and strike a satisfactory balance between the need to not fall prey to interventionism and the need to bring about the preconditions necessary to proper free market operation, to organize in a spirit of concertation a floating exchange rate system without reverting to the Bretton-Woods model, controlling protectionism while keeping in mind the need to gradually and equitably further the process of international trade liberalization...

These Summits therefore have to be maintained and a new cycle initiated.

But in so doing one must keep in mind the need to preserve the Summits' specificity. The Summits are informal meetings at the highest level possible and they should neither be turned into institutions nor lead to remakes at a ministerial level. They provide a forum for predominantly economic talks and are neither called upon to become decision-making bodies nor to take the place of extant alliances. The

Summits are not and should not be a board of directors from which the world is ruled.

Preparing the Seven's future meetings does not only mean understanding the history of the fourteen previous Summits and learning from what they did or did not achieve; it also means identifying the main stakes for future international cooperation and finding the ways and means by which Summits to come will best manage to address these issues.

I - THE LESSONS OF THE PAST FOURTEEN SUMMITS

A/ Summits have demonstrated their usefulness.

Rereading final communiqués issued at the end of the fourteen Summits held to date, while keeping in mind recent developments in international politics, shows how significant the summits have been in providing crucial impetus in a number of fields and promoting new ideas. But their overall contribution is nevertheless far greater than the actual text of these communiqués might lead one to think.

Participants in the Rambouillet Summit stated that their meeting was the expression of a commonality of values and responsibilities : a shared attachment to the values of democracy, a shared responsibility of all major industrialized economies. The following Summits reflected a strengthening of these ties, a deepening of these shared values, as well as an increased awareness of these countries' responsibilities vis-à-vis the world.

Summits are no doubt an exceptional forum for informal talks among the highest-ranking leaders of the industrialized countries. They have helped the Seven better to know and understand each other and have helped establish relationships based on trust. After having initially stated somewhat abstract common goals, their participants gradually moved on to the implementation of common strategies. In the field of energy, in the field of economics, the Seven agreed to commit themselves to implementing domestic policy measures or guidelines, as they gradually learned to integrate into their domestic policies their

partners' constraints and goals. This was obviously not an easy task and to this day some are still tempted to play power games within the Seven in order to accelerate trends they perceive in a given country.

The Seven have further learnt through these Summits how to adapt to changes in industrial societies, and go beyond the strictly economic framework they had at first set themselves to take a far broader view of the problems of our world and of the interaction between economic, social and technological factors. By giving a new dimension to the shared values of the Seven major industrialized countries, this development has no doubt increased the credibility of their statements and strengthened their impact on public opinion worldwide.

Summits have also played a crucial role in making the Seven aware of their new responsibilities vis-à-vis the rest of the world. Communiqué after communiqué, participants in the Summits gradually acknowledged their responsibilities as regards a rehailed international monetary system, safe energy supplies, environmental conservation... But the sequence also shows them increasingly taking into account the existence and problems of "other" actors of world politics, as well as the impact their own decisions have on these actors. In the first communiqués, developing countries, for instance, appear mainly as oil-consuming "co-victims" of soaring oil prices, but as time goes by, they are portrayed with a far greater sense of nuance. The Seven's analyses and action has thus increasingly focused on issues such as debt, commodity prices, the drought and famine in Africa.

Decisions and commitments made on the occasion of Summit meetings are not legally binding, but that does not mean they have no reality. The fact that these meetings are held on an annual basis is an additional guarantee that they will be properly implemented, as is their increasing media coverage.

Some may say that recent Summits have been subjected to media overkill, but the coverage given to the Seven's messages is however necessary, on many a count : statements issued by Summit meetings have an undeniable "educational" role for the general public of the Seven

countries concerned. They further make for some measure of transparency in the Seven's behavior towards other countries, with which dialogue is thus implicitly encouraged.

B/ Despite certain "dysfunctions"...

In cases such as these, criteria for success or failure are not easy to identify. Summits cannot thus be blamed for economic developments that proved contrary to expectations. Summit "dysfunction" can however be assessed in terms of issues no longer addressed : in post-1983 communiqués, no reference is thus made to a global approach to North/South relations, whereas the Seven had, in Venice (1980), and in Ottawa (1981) clearly supported the principle of global negotiations within the UN system and had even gone so far as to approve in Versailles, in 1982, the launching of such negotiations, which they considered to be a major political goal.

The ambiguity of the language sometimes used can be both the sign and the cause of other forms of Summit "dysfunction": observers were thus quick to notice that the concept of a careful and diversified approach to relations with the USSR, developed at the Versailles Summit, did not have the same meaning for all participants.

A third type of "dysfunction" stems quite simply from lack of experience and the difficulties entailed by the setting up of new processes. In this respect, the imperfection of early international economic concertation mechanisms led participants in the 1978 Bonn Summit to grossly overestimate growth objectives, in particular for West Germany and Japan, all because of the so-called "locomotive theory".

Finally, there is no denying that a number of issues have revealed the Summits' powerlessness - even if these have not been actual cases of "dysfunction"- because of the fuzzy and often repetitive nature of the wording used: convincing "responses" to concerns regarding youth employment or commodity prices and their impact on producer countries have thus been few and far between...

C/ Summits have given significant impetus in many fields.

1) Firstly in the fields of economic and monetary affairs. The Rambouillet Summit (1975) had finalized participant countries' renouncement to fixed exchange rates, as a prelude to the Jamaica agreements. Participating states had at the same time stated that they wished to achieve greater stability both in the world economy and on foreign exchange markets. Drawing lessons from the economic and monetary disruptions of 1976-1981, the Seven stated at the Versailles Summit in 1982 the need for greater convergence in economic policies and said they were willing to intervene on foreign exchange markets in order to offset possible future disruptions. Increased cooperation was to be established with the IMF, in the field of monitoring, especially regarding countries whose currencies were used to compute SDR value: this is how G5 came into being.

The following Summits demonstrated intensified concertation among the Seven in economic and financial matters, with the determination of common goals regarding growth, inflation, and unemployment control, as well as exchange rate stabilization, strengthening in Williamsburg (1983) of the consultation process on the degree of economic policy convergence, introduction in Tokyo (1986) of indicators to improve multilateral monitoring, and setting up of G7 with Italy and Canada, with the view to ensuring appropriate compatibility of the Seven's economic policies, through these indicators; endorsement by the Heads of State and Government, in Venice, of all commitments regarding economic policies and coordinated interventions on exchange markets made during meetings of the new G7 in the Louvre and in Washington, and agreement to further monitoring procedures, in particular through integration of a medium term objective and forecast consistency process concerning the economies of all Seven countries.

At the same time, new impetus was given to analysis regarding possible improvements of the international monetary system, with participants in the Williamsburg meeting even going so far as to suggest the convening of an international high level conference.

2) Summits have accelerated or finalized significant changes in other fields. Year after year, the Seven reiterated their determination to resist rising protectionism, while taking advantage of Summits to speed up or initiate work within GATT, as exemplified by the Porto Rico commitment to contribute to meeting the pre-established Tokyo Round deadline (end of 1977); the initiative taken at the London Summit to consult with other GATT members regarding the goals and organization of a possible new negotiation cycle; the solemn support given by the Seven in Bonn (1985) to the launching of a new cycle, reiterated in Tokyo, with a reference to the need to integrate within this new cycle issues such as trade in services, commercial aspects of intellectual property law and direct foreign investment.

3) In the field of energy, major industrialized countries showed unity in their response to OPEC decisions, by calling for diversification in supply, development of alternate energy resources, in particular nuclear, as of the very first Summits; this led to success, with the Tokyo Summit (1979) adopting concerted measures on maximums for oil imports and alignment of domestic and international oil prices. Since then, a number of communiqués - Ottawa (1981), Williamsburg (1983) - have stressed the need to further energy diversification, despite dropping oil prices.

4) Developing country problems have over the years taken up an increasing part of the Seven's discussions. Summits have significantly contributed to channeling bilateral finance to developing countries: official development aid policies and procedures have been examined at sherpa meetings and in 1987 in Venice, the Seven unanimously acknowledged the need to devote 0.7 % of GNP to ODA; Japan was encouraged to recycle its capital surplus in the South.

Summits have furthermore given the Seven the opportunity to express their support for multilateral initiatives in favor of third world countries and thus often to contribute to their speedy implementation. Examples of this are the successive replenishments of IDA, the establishment of an International Fund for Agricultural Development (London 1977), the implementation of a special plan of action for Africa designed by the World Bank (London 1984), the establishment

of a new structural adjustment facility within the IMF (Tokyo 1986), followed by a project significantly to increase its capital (Venice 1987), and finally the increase in World Bank capital.

Regarding debt, the declaration issued at the London Summit in 1984 clearly states the main focal points of the industrialized states' strategy, but it however introduces a new element insofar as it provides for multi-annual debt rescheduling. The following Summits reaffirmed the pros of this strategy, while expounding on the merits of country-specific solutions for the least developed countries, in particular in Africa.

5) Summit agendas gradually expanded to issues that were not strictly economic. The Versailles Summit (1982) thus underscored the need to explore new prospects entailed by new technologies: a working group on Technology, Growth and Employment was set up on this occasion and its report helped identify a certain number of fields of cooperation between the Seven. It also helped strengthen COCOM. One of the chapters of the Bonn Declaration is devoted to potentially increasing cooperation between industrialized countries in view better to preserve the environment. The Venice communiqué encourages the furtherance of a Japanese program, known as "The Human Frontier", which aims at promoting on an international level basic research in biology. Health care problems (cancer, drug addiction...) have also been addressed in Summit communiqués ; the very last of these, issued in Venice, stressed the need to coordinate efforts made to control AIDS and approved the establishment of an international committee on the ethical problems this disease gives rise to.

II. SHOULD A THIRD CYCLE OF SUMMITS BE INITIATED?

A/ The major turning points that lie ahead totally justify a new series of Summits. They will indeed have a very significant influence on the content and the form of the Seven's coming meetings.

1. Bringing the Uruguay Round to a close is one of the main deadlines today. The wave of change that is likely to stem from this, with a simultaneous elimination of restrictions on trade in both goods

and services, will induce transformations in all our countries, an international redistribution of some aspects of production, both industrial and agricultural, as well as the emergence of new alliances...

Some of these developments will be hard to come to terms with; and in this respect, Summits can play a decisive role in consolidating the results of MTNs and questioning the practices of those who might be tempted to stray from the path of collective discipline.

2. Concluding these MTNs is a crucial step for developing countries: it would grant them, inter alia, broader access to industrialized countries' markets. But other problems will continue to somewhat jeopardize their future: the burden of foreign indebtedness, in the case of most of these countries, the state of dependence mono-producers of commodities find themselves in, hostages to price fluctuations, not knowing how they could possibly diversify their economies, and finally, for some populations, the still to be exorcised risk of famine.

With both the eighth General Assembly of UNCTAD and the Review Conference of the New Substantive Programme of Action for LDCs coming up, the early 1990s will offer ample opportunity to take stock of what has been done for development.

3. A number of other developments, albeit more regional in nature, will nevertheless influence future Summit meetings.

The end of 1992 will mark the emergence of a single European domestic market, with some 320 million people freely trading goods, services, and finance. This process will have all the more impact if it coincides with the establishment of an economic and monetary union.

At the same time, the free trade agreement between the United States and Canada will have entered into force, leading to the emergence of a totally integrating trading zone on the North American continent.

These regional integration efforts are not limited to industrialized countries - in actual fact, and although they have so far covered less ground, similar trends are to be found in developing countries, through the establishment of customs unions, the conclusion of free-trade

agreements, the setting up of concertation groups (such as the Rio group, the Carthage group, in Latin America; or the expanding role of ASEAN...)

Finally, there is no discounting recent trends in East block countries: new policies presently implemented in the Soviet Union, should they be sustained, are likely to entail radical changes in the way the Soviet economy works, as well as in the nature of this country's relations with the West. This is in particular likely to lead to intensified trade and cooperation with industrialized countries, as well as to more active Soviet participation in international economic and financial discussions, in particular through USSR membership in the IMF and the World Bank.

B/ With these new synergies emerging on a global level, what shall the future priorities of international cooperation be?

1. Further convergence of economic policies:

Present imbalances in current payments positions can only be corrected without entailing the risk of a world-wide recession if concertation efforts within G7 and improved monitoring of relevant economies are sustained, or rather intensified. The international adjustment process is bound to be long and difficult: the Seven must therefore agree on a pace and on burden-sharing provisions that are compatible with the capacities of their economies. There are still many gaps in our knowledge of how our economies work and respond, and we will gradually have to bridge them if we want better to coordinate structural reforms, as it is generally recognized today that they will be the indispensable addition to monetary and fiscal policies.

2. Close cooperation in the monetary and financial fields.

As shown by several concerted interest rate developments, the Seven have striven for greater consistency as regards their monetary policies. Central banks have further coordinated their intervention on foreign exchange markets, thereby reflecting a consensus of major industrialized countries on today's main exchange rates.

This cooperation between the Seven will find a fitting extension in a general rehaul of the international monetary system. Industrialized countries have experimented with floating exchange rates and have understood that these have to be managed in a spirit of concertation. This has in actual fact been the rationale of G7 agreements. Furthering these efforts should lead to the establishment of a more automatic monetary discipline in a system that will better reflect the multipolar nature of the modern world. In this respect, defining reference ranges for major currencies would contribute to a more 'transparent' and more balanced monetary system.

Cooperation between the Seven could also be extended to financial matters. As demonstrated by the late 1987 crisis, industrialized countries have not fully adapted to new conditions brought about by increased capital mobility. With a number of regulations being dropped, automatic data processing becoming ever more widespread, and new financial instruments constantly appearing on the market, considerable capital movements can now take place in almost no time at all, thereby possibly jeopardizing the implementation of a number of economic policy goals. Under the circumstances, the Seven would therefore be well advised to consolidate their economic concertation efforts through coordinated monitoring of financial markets, which might involve some measure of harmonization of operating rules on these markets.

3. Striving for a more open international trading system:

This issue was addressed as of the very first Summits, and conclusion of the present cycle of MTNs will not strike it off the Seven's agenda.

It seems likely that the more ambitious and innovative issues of the Uruguay Round (agriculture, services, intellectual property, ...) will not have been argued through; they are actually likely to remain in the forefront of discussions for some time still. A framework will further have to be defined for GATT in the 21st century. In this respect, striving for more equitable competition conditions might lead the Seven to look into the issues of domestic policy harmonization, in particular as

regards taxes and benefits (wage levels, welfare benefits, working conditions).

4. Further efforts in favour of poor and indebted countries, in particular in Africa:

A number of positive developments have no doubt occurred: many of these countries are implementing, with the IMF and the World Bank's help, programs to restructure their economies; new finance - in particular multilateral - has been found, in significant amounts. But further measures are still needed, if these countries are durably to exit the vicious circle of indebtedness and poverty: further debt relief measures - partial cancellations or highly concessional refinancing schemes -, increased technical assistance and technology transfer, more efficient aid - both technical and financial - to mono-producers of commodities... Proper coordination of efforts undertaken to help these countries is a prerequisite for efficiency.

5. Extending international concertation to other issues.

At this stage, we can only give a few examples of this trend.

Development of new technologies (in the fields of information, space, biotechnologies) is going to radically change the way people work and communicate, not to mention behave within society. New "references" are needed, including in ethics, that can only be defined on an international level.

Technological change can make exclusion phenomena even more acute. In this respect, the Seven should strive better to assess the impact of their economic guidelines on the situation of all social groups on a domestic level.

Training is no doubt an effective way to curb these exclusion phenomena. Strengthening cooperation in this field would contribute both to sharing experiences with a view to solving problems that are quite often common to all (unemployment among the young is a case in point) and to harmonizing a number of rules, in order to encourage greater individual mobility across national borders.

C/ In a rapidly changing world, what is the future for Summits? How can we make them evolve without changing their very nature?

* Part of the answer is to say that Summits must remain very exceptional fora in which the highest ranking leaders of our countries can express themselves freely and informally, on predominantly economic issues. Final communiqués are the expression of a consensus on shared problems, not a list of ad hoc decisions. This excludes future bureaucratization of Summits, as it does the organization of "dress rehearsals" or of Summit remakes at ministerial level.

But this also excludes an over-politicization of Summit talks. Summits are not meetings of a board of directors destined to rule the world, nor are they meant to take the place of extant alliances.

* Secondly, a balance must be struck between the fact that it is no doubt necessary to keep participation in the Summits down and the fact that Summits, per se, are called upon to address issues of concern to the world at large. Extending Summit participation is an issue that has often been raised. And it is surely very difficult to appear to be closing doors to States with which we are in any case associated within other fora. But in so doing, we are not excluding them from any decision-making process. Furthermore, excessive extension of Summit participation might well over-formalize or slow down discussions in a way that might jeopardize the very specificity of these meetings' contribution.

Keeping Summit participation down does not preclude, on the contrary, establishing more substantial relations between the Summits and the rest of the world. The Seven's analysis of the world affairs must be nurtured by other countries' points of view, and it must also be communicated, should the need arise, in a clarified form, to other countries. In this respect, developing countries would be an obvious priority, as their problems take up an increasing part of Summit talks. Closer contacts would help stave off the distrust some countries feel for the "industrialized countries' cartel", enhance mutual understanding, and hence encourage the emergence and the speedier implementation of solutions.

What remains to be seen is how such contacts could be organized. Choosing people, while absolutely preserving confidentiality, and the informal nature of such talks may well prove difficult. (At this stage, one could suggest initiating such contacts at the sherpa level, with personal representatives of the leaders of a number of developing countries. It would be clearly stated, from the onset, that such meetings are not meant to prepare North/ South Summits.)

This "opening" of the Seven would of course not be solely directed towards developing countries. In this respect, OECD obviously gives the Seven ample opportunity to confer with other industrialized countries, but there seems to be a paucity of fora in which they can discuss with the newly industrialized countries - and this, at a time when the Seven unceasingly stress the need to increase this latter group's responsibility in the settlement of international economic and financial problems.

How can these countries be flexibly associated to the Seven's analyses and choices? In the long run, this question will probably also apply to East block countries.

* Finally, and just as interdependence among states precludes Summits' "withdrawing" into their separate reality, the increasing interpenetration of issues precludes their dealing with strictly economic topics, as recent history has for that matter amply demonstrated.

The risk of too great a defocusing of issues must obviously be taken into account. But by disregarding new prospects brought about by population trends, scientific developments, new technologies, and radical changes in social behaviour might also deprive the Seven's analyses and choices of part of their substance...

Summits can and must contribute to making progress more widespread. Because they are exceptional fora where views can be exchanged and problems freely discussed, Summits can help prevent progress accomplished in some areas from generating new exclusion phenomena in respect of given groups of society or given regions of the world.

Summits have played a major role in leading the way to greater economic integration worldwide, and for this very reason they should contribute to the establishment of a more consistent international societal space, as well as to speedier circulation of new technologies throughout the world.

MAIN FEATURES OF THE FOURTEEN SUMMITS HELD TO DATE

The Seven have gradually extended their agenda to matters that are not strictly speaking economic, while increasingly taking into account the concerns of other parts of the world.

* Reforming the international monetary system was the main topic of the Rambouillet Summit talks in 1975. Participants agreed to renounce fixed exchange rates, and this agreement was finalized, a few weeks later, by the Jamaica agreements. Participants clearly stated their intention to strive for greater monetary stability.

They expressed their resolve to find solutions to unemployment, inflation, and energy problems. These general commitments were to be reiterated at all successive Summits. Priorities, however, changed with the state of the economy; controlling inflation was thus for years the number one priority, followed by unemployment.

* The Porto Rico Summit (1976) gave its participants the opportunity to reiterate their shared goals regarding economic growth and inflation control.

* The London Summit (1977) was marked by a commitment to quantified growth objectives and the furtherance of stabilization policies. The Seven agreed to participate in the fifth replenishment of IDA and expressed their support for negotiations with a view to establishing a Common Fund for Basic Commodities.

* At the Bonn Summit (1978) a common goal on concerted activity-boosting measures led to a number of quantified economic policy commitments, both country and time specific.

The FRG in particular accepted an increase in fiscal spending amounting to 1% of GNP. The United States committed themselves to finally implementing an energy policy.

* The Tokyo Summit (1979) was held in a climate of crisis, with OPEC meeting in Geneva to decide on oil price increases. The Seven decided on maximums for their oil imports and agreed on the need for

restrictive economic policies in order to control inflationary pressures consecutive to new increases in oil prices.

* In Venice (1980) a number of commitments were once again made to save energy and develop alternate energy resources. Despite the recession that followed in the wake of the oil shock, inflation control remained the Seven's economic decision-makers' number one priority.

Mentioning international politics for the very first time in their final declaration, participants called for a withdrawal of Soviet troops from Afghanistan and condemned the hostage taking of US diplomats in Iran.

* The final communiqué of the Ottawa Summit (1981) showed converging views among participants as to the need to respect the rules of free market operation in policies aimed at restoring economic balances.

Participants agreed to the need to reduce export subsidies; they considered the possibility of new multilateral negotiations.

Voicing their support for the Cancun North/South Summit, they called for intensified efforts in favor of developing countries, inter alia through cooperation with OPEC countries.

* In Versailles (1982), the Seven agreed to "strive for a constructive and orderly development of the International Monetary System", and to promote greater stability in exchange rates. An international monetary commitment, annexed to the communiqué, expounded upon this intention.

An agreement on a "careful and diversified approach" to relations with the Soviet Union and European socialist countries, supplemented by an agreement on reducing capital flows to these countries, proved to be a misunderstanding and gave rise to differing attitudes among the Seven.

* The "Final Declaration on Economic Recovery" issued at the close of the Williamsburg Summit (1983) stressed that the Seven should strive to achieve a downswing in overly high interest rates; participants committed themselves to intervene on exchange markets should the need arise.

Finance ministers were further invited to take into consideration the possible future role of a high level international monetary conference.

An increase in the amount of IMF resources available to developing countries was advocated.

Finally, a declaration on security issues clearly stated the Seven's resolve to maintain military forces at levels sufficient to deter all possible attacks, and announced that US missiles would be deployed should no agreement be reached in Geneva.

* At the London Summit (1984), the Seven discussed main developments in debt strategy and spoke in favor of multi-annual debt rescheduling.

The Seven deplored the negative effects of overly high interest rates; they advocated additional allocation of SDRs to developing countries.

A number of joint declarations were further issued regarding the Iran-Iraq conflict, East - West relations and arms control, democratic values, and terrorism.

For the very first time, technological issues were alluded to.

* Endorsing a number of joint general commitments regarding the correction of economic imbalances, participants in the Bonn Summit (1985) expounded on country-specific priorities under consideration for policy-making. Japan, in particular, stated that it wished to further open its domestic markets and develop the Yen's role internationally. The significance of environmental protection was acknowledged. The Seven paid tribute to progress made in the field of technological cooperation.

* The Tokyo Summit (1986) was an important step for stronger coordination of the Seven's economic policies: it stated that the group of Finance Ministers was to work in closer and more frequent cooperation between Summit meetings, and to assess economic developments through a series of indicators.

The early initiation of a new cycle of trade negotiations was advocated.

The Seven voiced their support for an 8th replenishment of IDA as well as for an increase in World Bank capital. They stated that they wished actively to participate in the UNGA's special session on Africa.

A Declaration for a Better Future celebrated the Seven's shared values. It was supplemented by a declaration on the fight against terrorism.

The implications of Chernobyl were mentioned in a separate statement.

* At the Venice Summit (1987), newly industrialized countries were invited to participate in efforts to correct trade imbalances.

The Seven acknowledged that LDCs warranted special measures, in particular as regards debt rescheduling.

They supported a proposal to increase the Structural Adjustment Facility's resources and called for speedy negotiations to this end.

They reiterated the need for a concerted reform of agricultural policies with a view to resorbing surpluses.

For the first time, the Seven addressed the ethical implications of biological research, as well as AIDS and drug addiction, in two separate statements.