

## 1. PROSPECTS FOR THE TORONTO SUMMIT

It is still a full two months before the leaders of the world's seven most powerful industrial democracies and the European Community fly into Toronto for their fourteenth annual summit. But there is already widespread skepticism about what they are likely to accomplish, and even some doubt about whether they should be meeting at all. The critics point to the disappointing record of the summit during the 1980's, the difficulty of cutting big deals in two and a half days with an estimated 7,000 journalists hovering, and the challenge of getting the lame-duck President of the world's most powerful country to concentrate on the complex details of international economic affairs. It is thus easy to dismiss the summit as merely a massive inconvenience to local commuters, a media circus to kick off the Mulroney re-election campaign, or, at best, a kind of Calgary Olympics for highbrows in Toronto's downtown core.

But there is a good chance that the summiteers will confound their critics. For despite the leaders' current efforts to lower expectations and thus maximize

their freedom at the meeting, the Toronto gathering shows signs of shaping up as a summit of some significance. Indeed it is even possible that the 1988 Toronto summit will prove to be the most productive meeting of the group in this decade. There is already much to suggest that the leaders will seriously address both political and economic topics, focus on the critical issues in each domain, and have a free and frank exchange about what should be done. Moreover there is some chance that they will proceed to do it, by pulling together to provide reassurance, maintain forward movement, and cut some deals that make a real difference to the world.

But if this happy ending is to happen, there are some powerful obstacles that must first be overcome. One lies with the membership of this particular summit club. The leaders who will gather in Toronto on June 19-21 have a long track record together, and the responsibility for the many disappointments of the earlier 1980's summits is largely theirs. Moreover

these disappointments were largely deliberate. America's Ronald Reagan and Britain's Margaret Thatcher have spent virtually the entire decade ensuring that their neoconservative agenda and abhorrence of government intervention in the economy reigns as strongly at the international economic summit as it does in their domestic policy back home. With West German Chancellor Helmut Kohl, Canada's Brian Mulroney and other later arrivals broadly sympathetic to the veteran's ideology of "Ronald Thatcherism", few will want to change the plot for Ronald Reagan's last performance on this international stage.

These incentives for a low-risk summit are reinforced by the distractions of elections back home. Indeed, this summit will be afflicted with more election fever than any of its predecessors, as a majority of the countries at the table are facing the prospect of a national test within a year. With Reagan certain to be gone by January 1988, there is little incentive for his colleagues to push him, and him to push them, to do things that will take longer than six months to

accomplish. With summit host Brian Mulroney highly likely to be going to the polls in the twelve months following the Toronto meeting, with his party lodged in last place in the polls, and with his image always boosted by participation in high-profile summits, his electoral preoccupations will loom large. As of May 8, the leaders will know if Francois Mitterrand of France is returning to the French presidency, and thus to the summit. But it could be much longer before it is clear who, if anyone, will come with him to Toronto as the Prime Minister of France. And the Italians will probably once again maintain the suspense of who will lead them right up to the summit and beyond. Add in the traditional low-key, consensus-building style of the Japanese at the summits, and there are few leaders left who can be counted on to put difficult and disagreeable issues on the table.

Nor is there any sense of impending economic crisis to provide inspiration. The exceptionally long and strong period of real economic growth in all the summit countries will tempt the leaders merely to congratulate

themselves on a job well done, as their finance ministers did at their G-7 meetings in Washington last week. The U. S. dollar remains relatively stable. The U. S. budget and trade deficits continue their slow if erratic move in the right direction. The spectre of protectionism in the United States has receded along with the campaigns of protectionist Democrats and Dole. Inflation is under control everywhere. The Germans seem content with their high unemployment. And the Japanese seem able to compete whatever the exchange rate of the yen might be. Indeed, there is so much good economic news that self-congratulation could breed complacency on the part of those who think they have found the winning formula for all time.

In the political sphere there is a sense of satisfaction as well. In the early 1980's, the allies were alarmed by Ronald Reagan's novel approaches to east-west relations and international security. They felt a need to use the summits to nudge their champion in the right direction. But now he has responded, and

the revised Reagan formula is showing some real success. One big arms control deal with the Soviets has been secured. Another, even bigger one, may be at hand. The Soviets are leaving Afghanistan. And there are hopes for progress in the Persian Gulf and Central America. Even memories of Conragate have faded away. It will thus be easy for the summiteers to relax and leave the hard core security issues to the alliance leader who is doing so well.

Finally, some of the traditional summit issues remain too tough and sensitive to handle, and will not be ripe for resolution by the time the Toronto summit arrives. The current round of multilateral trade negotiations, launched so bravely at Punta del Este, Uruguay in the autumn of 1986, is now badly stalled. But the Europeans are adamant that the Toronto summit will discuss neither the content nor the process of these badly-needed multilateral trade negotiations. Real movement may thus have to wait until the mid-term review December in Montreal. Discussions on the critical issue of curbing agricultural trade subsidies are similarly

immobilized, with Ronald Reagan's visionary plan to abolish all subsidies by the year 2000 locked in confrontation with the European Community's incremental approach. On the looming problem of third world debt, the cash-short Americans are unwilling to move much beyond their preferred case-by-case approach into more bold and costly realms. And on the dilemma of how to end the entrenched racism in South Africa, strong national values and interests, and pronounced personal dislikes, put Brian Mulroney and Margaret Thatcher on the opposite sides of a very high fence.

In short, the incentives for inertia at the Toronto summit are prevalent and powerful. It will take a formidable act of political will, clever preparation, and outside pressure over the next two months for the promise of the summit to be achieved.