

THE TORONTO ECONOMIC SUMMIT
JUNE 1988

Background

From June 19-21, Canada will play host to the 14th Economic Summit. At that time Prime Minister Brian Mulroney will welcome to Toronto the leaders of the six other major industrialized democracies -- France, the Federal Republic of Germany, Italy, Japan, the United Kingdom, the United States, and the President of the Commission of the European Community.

The Economic Summit meetings have been held annually since 1975 (Canada and the European Community began their participation in 1976 and 1977, respectively). The first Summit meeting was held at Rambouillet, near Paris, at the invitation of the President of France. The Economic Summit has no permanent home or Secretariat. Rather, Summit sites and organizational responsibilities are rotated among member nations: Rambouillet (1975), Puerto Rico (1976), London (1977), Bonn (1978), Tokyo (1979), Venice (1980), Ottawa/Montebello (1981), Versailles (1982), Williamsburg (1983), London (1984), Bonn (1985), Tokyo (1986) and Venice (1987).

The original concept was to have leaders discuss economic subjects outside the usual institutional framework, much along the lines of the "Library Group" of Finance Ministers that first met in 1973 in the White House library to discuss the international economic problems incurred due to the unravelling of the Bretton Woods fixed exchange rate system. Fostering personal contact among leaders to bring about progress on the issues facing the world has remained an important objective of Economic Summits. These meetings have brought key leaders together in a group that is powerful enough to have an important bearing on significant developments in the world (both economic and political), yet small enough to make open and direct discussions possible.

These yearly meetings are the most visible elements 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)/World Bank, the General Agreement on Tariffs and Trade (GATT), the Organisation for Economic Cooperation and Development (OECD), and the Group of Seven (G-7) Finance Ministers. The continuing objective of Summits has been to work towards compatible macroeconomic policies to foster balanced growth. These Summits are not decision-making fora, but over the years they have enabled the