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## CANADA AND ECONOMIC SUMMITS

### SUMMIT HISTORY

The annual economic summit is the most visible element of an extensive, continuing process of consultation and co-operation among the seven leading industrialized democracies. Discussions held during the summits and the meetings of the Group of Seven finance ministers three or four times a year are closely linked to work being done in other international fora, including GATT (the General Agreement on Tariffs and Trade), the International Monetary Fund, the World Bank, and the Organization for Economic Co-operation and Development. Through these meetings and institutions, governments seek to manage an increasingly interdependent world economy.

The 1993 Tokyo Summit is the culmination of a year-long process. The issues on the summit agenda were reviewed during five advance meetings of the "Sherpas," the personal representatives of summit leaders. Through their preparatory meetings, the Sherpas look for areas of agreement that may lead to a summit consensus on the main issues. Prime Minister Campbell's personal representative is Under-Secretary of State for External Affairs Reid Morden.

The first economic summit, an initiative of French President Valéry Giscard d'Estaing, was held in Rambouillet in 1975. Around this first meeting table were gathered leaders of the United States, the United Kingdom, the Federal Republic of Germany, Japan and Italy to discuss the principal economic issues of the day in an informal and relatively unstructured environment. At the invitation of the U.S. president, Canada's prime minister joined the other leaders at the Puerto Rico Summit in 1976. The European Community was granted observer status at the 1977 London Summit.

The first summits focused on economic recovery. The heads of state and government agreed on measures to support stable economic expansion

and reduce high levels of unemployment, without increasing inflationary pressures. At these summits, the leaders recognized that structural changes had to be made in national economies to cope with rising oil prices and new economic realities.

In the early 1980s, containing inflation became a primary concern. The leaders agreed on the need to restrain public borrowing and limit growth of the money supply. They then sought to harmonize their policies to expand, reinforce and maintain the recovery that followed the 1981-1982 recession. Since then, the effort to ensure continued economic stability and prosperity by reducing inflation, interest rates and budget deficits has remained a top priority at economic summits.

After the 1986 Tokyo Summit, the growing emphasis by summit countries on co-ordinating economic policies saw the Canadian and Italian finance ministers joining the ministers of the United States, France, the United Kingdom, Germany and Japan to form the Group of Seven.

Ministers, central bank governors and senior officials of the G-7 meet between economic summits to discuss the economic performance and policies of their countries, further strengthening economic and monetary co-operation. After the downturn in western economies in 1990, emphasis was placed on policies likely to strengthen and sustain global recovery. In 1992, high unemployment rates and the need to adjust labour markets in all G-7 countries prompted governments to address this problem.

Summit leaders regularly discuss matters related to international trade. Canada, with its partners, seeks progressive and steady liberalization of international markets for goods and services.

At the 1986 Tokyo Summit, on the initiative of Canada and with the support of the United States,