

Canada and G-7 Summits

The annual G-7 summit is the most visible element of an extensive, ongoing process of consultation and co-operation among the world's seven leading industrialized democracies. Discussions held during summits coincide with work being done in other international forums, including the World Trade Organization, the International Monetary Fund, the International Bank for Reconstruction and Development, the World Bank, the Organization for Economic Co-operation and Development, Asia-Pacific Economic Co-operation, and consultations by G-7 finance ministers.

The continuing objective of G-7 summits is to give leaders an opportunity to exchange ideas and experiences that will allow them to better understand and manage pressing economic and political issues. While summits themselves do not always produce solutions to specific problems, leaders can set forces in motion in their own countries and in the relevant international institutions best suited to deal with these problems.

Summit History

The first summit, an initiative of French President Valéry Giscard d'Estaing, took place in Rambouillet, France, in 1975. Originally conceived as a one-time event, to discuss economic issues, it brought together the leaders of France, the United States, the United Kingdom, the Federal Republic of Germany, Japan and Italy in an informal environment. The success of this gathering, however, inspired U.S. President Gerald Ford to host another summit, held in Puerto Rico the following year. Canadian Prime Minister Pierre Trudeau joined the summit table at that time. Since then, the summits have become annual events. The European Community, now the European Union, was granted observer status at the 1977 London Summit and is represented at summits by the President of the European Commission.

The first summits focused on encouraging economic recovery. Participants agreed on measures that would help support stable economic expansion and reduce high levels of unemployment, without increasing inflationary pressures. They recognized that structural changes had to be made in national economies to cope with rising oil prices and new economic realities.

Containing inflation became a primary concern in the early 1980s. Leaders agreed on the need to restrain public borrowing and to limit the growth of the money supply. They then sought to harmonize their policies to expand, reinforce and maintain the recovery that followed the 1981-82 recession. Since then, a top summit priority has been to promote economic stability and prosperity by aiming to achieve low inflation and interest rates and sound public finances.