



CANADA QUARTERLY

July 1995

Volume 3 Number 3

CANADA ACHIEVES
ITS GOALS IN HALIFAX

Canapress Photos/Andrew Vaughan



Prime Minister Chrétien and President Clinton relax with a round of golf in Halifax after the G-7 Summit.

Canada's Prime Minister Jean Chrétien, who played host to the leaders of the Group of Seven industrialized nations in Halifax, Nova Scotia, June 15-17, for their annual economic Summit, singled out proposals to strengthen the International Monetary Fund's ability to react quickly to financial crises as the meeting's most significant achievement. Mr. Chrétien had made reforming international financial institutions his "personal priority" as chairman.

The other six leaders were U.S. President Bill Clinton, Britain's Prime Minister John Major, Germany's Chancellor Helmut Kohl, France's President Jacques Chirac, Japan's Prime Minister Tomiichi Murayama, Italy's Prime Minister Lamberto Dini, and European Union President Jacques Santer. Russian President Boris Yeltsin joined the group for discussions of political and global issues.

As chairman, Prime Minister Chrétien played a leading role in setting the agenda and moving the discussions

toward consensus. When he began planning the meeting, he said he wanted a "Chevrolet Summit" that focused on the issues rather than on the pomp and circumstance that has characterized many previous Summits.

Prime Minister Chrétien outlined Canada's goals for the meeting in a speech delivered in Montreal on the eve of the Summit. The common thread in these goals, he said, "is the need for greater international understanding and cooperation in the face of skepticism that our international systems are not working well."

"Jobs and growth are the priority of every G-7 nation," Mr. Chrétien said in Montreal, and "liberalized trade is the most effective international lever that exists for promoting jobs and growth." He urged the other G-7 members to join Canada in building on the successful

Unless otherwise noted, all figures are in Canadian dollars. The official noon exchange rate on June 29 was US\$1 = C\$1.3761.

conclusion of the GATT trade talks "and to get the new World Trade Organization (WTO) up and running."

Despite progress in reducing debt and curbing inflation in Canada and other Summit countries, Mr. Chrétien said, "Healthy national economies cannot exist in an unhealthy global economy." The Summit leaders could make a major contribution to the health of the global economic system, he said, by reducing the vulnerability of national economies to wild currency fluctuations, a matter made urgent by the worldwide repercussions of Mexico's recent financial crisis. Mr. Chrétien urged his colleagues to strengthen the IMF's ability to monitor the financial health of its member countries and to give the institution the financial resources necessary to act decisively in the event of crisis.

Mr. Chrétien said he hoped his colleagues would ensure that two other post-war international institutions, the World Bank and the United Nations, use their financial resources as effectively as possible and that they and other international financial institutions target their scarce funds to the poorest countries.

Canada has long been a proponent for significant reform of the UN, and Prime Minister Chrétien called on his colleagues to strengthen the organization. "There are too many (UN) agencies and programs," he said, "which either conflict with each other or are without mandates appropriate to modern challenges."

The joint communiqué issued at the close of the economic discussions dealt with Canada's major concerns. The highlights included:

■ a strong recommendation to the IMF to establish benchmarks for timely disclosure of countries' economic and financial data and to provide direct advice to countries which appear to be avoiding corrective action.

■ a proposal to double to U.S. \$58 million the amount the IMF currently has available under the General Arrangements to Borrow (GAB) to respond to financial emergencies.

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