

Canada and Economic Summits

Summit History

The annual economic summit is the most visible element of an extensive, ongoing process of consultation and co-operation among the seven leading industrialized democracies. Discussions held during the summits and meetings of the Group of Seven finance ministers coincide with work being done in other international fora, including the General Agreement on Tariffs and Trade (GATT), the International Monetary Fund (IMF), the World Bank, and the Organization for Economic Co-operation and Development (OECD). The governments of G-7 countries seek to understand and to manage an increasingly interdependent world economy through these meetings and institutions.

The 1994 Naples Summit is the culmination of a year-long process. The issues on the summit agenda were reviewed during three advance meetings of the "sherpas," the personal representatives of summit leaders. Prime Minister Chrétien's personal representative is Reid Morden, deputy minister for foreign affairs.

The first economic summit, an initiative of French President Valéry Giscard d'Estaing, took place in Rambouillet in 1975. Leaders of the United States, the United Kingdom, the Federal Republic of Germany, Japan and Italy met to discuss the principal economic issues of the day in an informal and relatively unstructured environment. Canada joined the 1976 Puerto Rico Summit at the invitation of U.S. President Gerald Ford. 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 economic recovery. Participants agreed on measures aimed at supporting stable economic expansion and reducing high levels of unemployment, without increasing inflationary pressures. They recognized that structural changes had to be made in national economies in order 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 limit growth of the money supply. They then sought to harmonize their policies in order to expand, reinforce and maintain the recovery that followed the 1981-1982 recession. Since then, a top priority at the economic summits has been to maintain economic stability and prosperity by reducing inflation, interest rates and budget deficits.