

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 to limit the 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 summit priority has been to promote economic stability and prosperity by aiming to achieve low inflation and interest rates and sound public finances.

At the 1986 Tokyo Summit, leaders emphasized the need to enhance macroeconomic co-operation by closely monitoring the gross national product, inflation, interest rates and exchange rates. As a result, Canadian and Italian finance ministers were invited to join those of the United States, France, the United Kingdom, Germany and Japan to form the Group of Seven. Since that time, finance ministers, central bank governors and senior officials of the G-7 have met regularly to discuss the economic performance and policies of their respective countries and to strengthen their international economic and monetary co-operation.

After the downturn in Western economies in the early 1990s, emphasis was placed on policies that would help strengthen and sustain global recovery. In Munich in 1992, governments agreed on the need to address high unemployment by making labour markets more flexible and adaptable to changing economic conditions. A global growth strategy designed to create employment was established the next year in Tokyo. To follow up on this initiative, the United States hosted the G-7 Jobs Conference in Detroit in the spring of 1994, which provided an opportunity for ministers from G-7 countries to exchange views and experiences on reducing unemployment and creating jobs. Further discussions on this theme took place at the OECD ministerial meeting in Paris in June 1994.

