



Statements and Speeches

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THE WESTERN ECONOMIC SUMMIT

A Speech by Mr. A.E. Gotlieb, Under-Secretary of State for External Affairs, to the Canadian Institute of International Affairs, Winnipeg, April 9, 1981

It is a pleasure to be with you today and to be able to reflect, in a congenial gathering of those with a serious interest in foreign policy, upon one of the more interesting diplomatic phenomena in the latter half of the Seventies, and now the early Eighties. I refer to the emergence of periodic meetings of the leaders of the most important economic partners among the developed, industrialized, mixed economy nations, the so-called Western Economic Summits.

Meetings at the Summit level have not always had a good press — witness Yalta. Or the Versailles negotiations after the First World War among Wilson, Lloyd George and Clemenceau. Even Moses had difficulty persuading those left behind of the wisdom he brought back from the Summit! Not a few leaders have reason to ponder the old Japanese saying that "there are two kinds of fools: those who have never climbed Mount Fuji, and those who have climbed it twice".*

After all, what court of appeal is there from a head of government? Who will review his decisions, revise his instructions?

Yet, beginning in 1975, at Rambouillet near Paris, there have been annual meetings of major Western leaders: 1976 in Puerto Rico, 1977 in London, 1978 in Bonn, 1979 in Tokyo, 1980 in Venice. As of the July 1981 meeting in Ottawa we will see the end of a cycle: each of the seven participating countries will have hosted one Summit. The U.S.A. and French Presidents, the German Chancellor, the Japanese, British and Italian Prime Ministers have participated from the outset, joined by the Canadian Prime Minister since Puerto Rico and the President of the European Commission since London.

These seven heads of state or government represent countries which together account for around half of world trade, for about four fifths of the industrial countries' and over half of the world's output. There is a considerable gap between the political/economic stature of the smallest Summit participant and that of any potential Organization for Economic Co-operation and Development (OECD) Summit aspirant. As for the presence of the Commission President, it must be remembered that the European Community member states have by treaty handed over to the central Community institutions certain important elements of their sovereignty, notably for trade policy as well as other aspects of economic policies.

In considering why the meetings began we need to go back to the situation in 1975. Two years after the Yom Kippur War and the ensuing fourfold increase (by December 1973) in oil prices by the Organization of Petroleum-Exporting Countries (OPEC), it was painfully evident that the industrialized countries had not coped well or cohe-

*With acknowledgements for this paragraph to Arthur Andrew, formerly a senior officer with External Affairs.