

The Canadian government's track record on its Louvre Accord commitments is positive. On the macroeconomic side, Canada has steadily reduced the federal budget deficit and has introduced an important program of tax reform. On the microeconomic side Canada has followed an active policy of regulatory reform in the financial, transportation and telecommunications sectors, and a policy of privatization of Crown-owned corporations and assets. Canada is also participating actively in the Multilateral Trade Negotiations, and has negotiated the Free Trade Agreement with the United States.

As the global economic imbalances are reduced, the challenge for policy makers in the Summit countries is to commit themselves to implement the appropriate combination of macroeconomic and microeconomic measures to manage the transition effectively, without jeopardizing prospects for continued non-inflationary economic growth. The Toronto Summit will provide Summit leaders with an opportunity to help restore confidence by showing credible leadership in that direction.