



The G-7 Summit in Charlevoix, Canada: Changing U.S. Leadership in Global Forums

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Specialist in International Trade and Finance

June 25, 2018

Canada hosted the 44th annual Group of 7 (G-7) summit on June 8-9 in Charlevoix, Quebec. The G-7 is an informal group of seven of the world's largest advanced economies: Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States. With roots back to the 1970s, the G-7 leaders meet annually to discuss and coordinate economic and foreign policies. The agenda for the 2018 summit, set by Canada as the rotating chair, intended to focus on economic growth, gender equality, jobs, and the environment.

Discussions were marked by deep divisions between President Trump and other G-7 leaders on trade and Russia. The United States for decades has been a leader in the G-7, but French President Emmanuel Macron emphasized that the United States faced a "united front" at the 2018 summit and found itself "isolated." After departing the summit, President Trump withdrew his initial support for the eight-page communiqué that had been negotiated in the weeks leading up to the summit. Lack of consensus on a G-7 communiqué is unprecedented.

Key Divisions in the "G-6+1"

Trade issues dominated divisions between President Trump and the other G-7 leaders. President Trump is overhauling U.S. trade policy. In recent months, the Trump Administration has taken several unilateral trade actions, including imposing tariffs on aluminum and steel imports over national security concerns, launching an investigation over a potential national security threat from auto imports, which could lead to eventual tariffs, and threatening to impose tariffs on up to 90% of U.S. merchandise imports from China over China's unfair intellectual property rights and forced technology practices.

Some areas of agreement exist among the G-7 leaders on President Trump's trade actions. There is some common support, for example, on countering unfair Chinese trade practices. The G-7 communiqué included language to address President Trump's concerns, including his desire to "modernize" the WTO.

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However, many of the Trump Administration's trade policies have put the United States at odds with other G-7 countries; several G-7 countries challenged the Trump Administration's national security justification for imposing tariffs on their aluminum and steel exports, as they are strong U.S. security allies, and have threatened to retaliate. Recent NAFTA negotiations with Canada and Mexico have also reportedly been tense, particularly over U.S. demands for a five-year sunset clause.

Before departing for the G-7 summit, President Trump criticized Canadian tariffs on U.S. dairy products and promised to fight "unfair" trade deals with other nations, including G-7 members. Given this context, trade talks at the summit were contentious. President Trump reportedly emphasized his belief that the United States is cheated by its trading partners, even as average trade-weighted tariff rates charged by G-7 nations are relatively low (less than 2%). In response to Canadian Prime Minister Justin Trudeau's closing remarks at the summit, in which he emphasized that Canada would retaliate against U.S. steel and aluminum tariffs and opposed a NAFTA sunset clause, President Trump reversed course and withdrew from the communiqué, even as Canadian officials insisted these remarks had been made previously to President Trump publicly and privately.

Russia's suspension from the forum was also a wedge between President Trump and many other G-7 leaders. Between 1998 and 2014, Russia was a member of the forum, then the Group of 8 (G-8). The G-7 countries suspended Russia's participation following its annexation of the Crimean region of Ukraine in 2014. Departing for the summit, President Trump called for Russia's reinstatement in the group, emphasizing his belief in the value of having Russia "at the negotiating table." At the summit, President Trump reportedly defended Russia's territorial claim to Crimea. German Chancellor Angel Merkel, UK Prime Minister Theresa May, and most other G-7 leaders strongly opposed readmitting Russia unless the situation in Ukraine improves. An exception was the newly-elected Italian Prime Minister, Giuseppe Conte, who broke with the EU and joined President Trump's call for Russia's reinstatement.

The United States and the other G-7 countries were also divided over **environmental** issues. President Trump did not attend the sessions on climate change, clean energy, and oceans, and, with Japan, declined endorsement of a G-7 agreement to combat global marine litter and plastic pollution.

U.S. Leadership in the World

The 2018 summit was one of, if not the, most contentious summits in G-7 history. It is not clear how the G-7 will proceed going forward. Some argue that the disagreements were narrowly focused on specific issues, and that the G-7 will remain a useful forum for discussing a myriad of other economic and foreign policy issues, although it may have a diminished role. Others argue that the significance of the G-7 was already waning (with a collective weight in the global economy declining from about 50% of global GDP in the 1980s to 30% today) and that the 2018 summit further pushes the G-7 towards irrelevance. During the global financial crisis, world leaders elevated the G-20 as the premier forum for economic cooperation, supplanting the G-7's traditional prominence.

The deep divisions between the United States and the other G-7 countries at the summit contributed to questions by some about U.S. world leadership under the Trump Administration. Since World War II, the United States, working with allies, has developed and promoted an open, rules-based, international order. President Trump campaigned on an "America First" platform and is pursuing significant changes in U.S. foreign and trade policy. Directly challenging the G-7 countries, which are western, capitalist democracies and long-standing key U.S. allies, appears to be part of that shift from the principles governing U.S. foreign policy over the past several decades. It may also represent a transition in the U.S. role at international forums, from one of building consensus to confrontation. In 2017, President Trump clashed with leaders at the G-7 and G-20 summits over trade and climate change, although ultimately supported both communiqués.

Congressional Response

Some Members of Congress made public statements rebutting the President's positions at the G-7 summit and worked to assure U.S. allies, particularly on trade issues. For example, Senator McCain tweeted that "bipartisan majorities of Americans remain pro-free trade, pro-globalization, and supportive of alliances based on 70 years of shared values." If Members are concerned about the Administration's approach to the G-7 and G-20, Congress could assert its oversight role. For example, Congress could organize hearings to examine the Administration's positions at the G-7 and G-20, and enact reporting requirements on U.S. participation in the G-7 and G-20 processes.

The G-20 summit is scheduled for November 30 and December 1 in Argentina.

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