

Canada 'shining example' on world stage

October 7, 2010 Jim Flaherty National Post

<http://www.financialpost.com/news/Canada+shining+example+world+stage/3638526/story.html>

On Friday, I will be in Washington, D.C., to host one of Canada's last meetings as chair of the Group of Seven (G7) industrialized nations. I will also chair the Commonwealth finance ministers meeting and attend the annual meetings of the International Monetary Fund and the World Bank.

These meetings come as we wind down a remarkable year for Canada on the international stage and a tumultuous two years for the world economy.

Our Canadian economy's resilience in the wake of the global recession and our leadership in seeking solutions have cemented our reputation as a shining example in the global efforts to make the world a more stable place.

No doubt, Canada is punching above its weight on the world stage.

Canada continues to serve as a world role model, having weathered the global recession better than all other G7 countries and being recognized internationally for the strength of its financial system.

However, as a global leader, we have also faced challenges this year. We fought and won against the push for a global bank tax, and highlighted more appropriate approaches for ensuring a stable financial sector. Our regulatory system and financial stewardship have served as an example to many countries around the world, which have taken their cue from the Canadian model as they consider reforms to their own.

As G7 chair, Canada has had a remarkable year, starting with our "back to basics" G7 meeting in Iqaluit. We then hosted the G8 and G20 summits in Huntsville, Ont., and Toronto, where Prime Minister Harper guided the group to agreement on specific targets for deficit reduction, on moving forward on mutual assessment, higher and better quality capital standards and an extension of our shared pledge not to introduce new barriers to trade over the course of the next three years.

In the wake of that summit, Canada has particular reason for optimism. Our country has weathered the deepest, most synchronized global downturn since the 1930s in far better shape than other major industrialized countries, with the smallest decline in economic output of our G7 counterparts.

Since July of 2009, Canada has seen almost 430,000 jobs created, more than were lost during the recession. The IMF expects that Canada will be the fastest growing economy among the G7 economies during 2010. At a time when other countries, including the United States, still struggle to get their economies back on track, this success cannot be put down to mere luck.

Canada will continue to play its pivotal role in shaping global actions on the economy at the meetings this week in Washington.

The Washington meetings will focus on the global economy and outcomes and priorities set at the G20 summit in Toronto in preparation for the upcoming G20 meeting in Seoul on Nov. 11 and 12. The Commonwealth finance ministers meeting will provide a forum for dialogue between G20 and non-G20 Commonwealth nations, focusing on the world economy, environmental sustainability and debt-relief issues.

Our leadership has led to reforms to the global financial sector through international organizations, such as the Financial Stability Board and the Basel Committee on Banking Supervision. We kept global focus on the recapitalization of international financial institutions, allowing them to double their lending capacity and to be a central pillar of the global response to the financial and economic crisis.

We supported open markets and small- and medium-sized businesses by making Canada the first tariff-free zone for manufacturers in the G20. We also invested \$20 million as part of the G20 Small and Medium-Sized Enterprise (SME) Finance Challenge to provide SMEs in developing countries with critical financing to grow their businesses and create jobs.

On the international development front, Canada led a G7 and G20 consensus to have all of Haiti's debts forgiven, including those owed to international financial institutions, after that country's devastating earthquake in January. We provided \$6.6 billion in temporary support to the African Development Bank and the Inter-American Development Bank to make sure they could continue supporting developing countries through the height of the economic crisis.

As we prepare to pass the torch to France as next year's chair of the G7, we recognize that there is still work to do to secure the global economic recovery. However, Canada will continue to be a global economic leader and provide a strong example to the world.