POLICY Canadian Politics & Public Policy

Can the G7 Survive Donald Trump?

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June 6, 2025

As Prime Minister Mark Carney prepares to chair the G7 meeting in Kananaskis, the mood ahead of the June 15-17 summit is overwhelmingly coloured by the fear of a serious risk of a public blowup between Donald Trump and the other leaders over Trump's tariff wars, leading to Trump walking out, shattering the proceedings and endangering the group's viability as an organization. Looking at where things stand today, the prospects for avoiding that confrontation are not good.

The context in the leadup to Kananaskis is decidedly bleak. Trump took little time after his inauguration in blowing apart the global trading order, discarding bilateral trade obligations and sabotaging the multilateral system, including core WTO rules regarding bound tariff rates and non-discriminatory (MFN) treatment of imports from all members.

Nothing could be clearer than the theatrical display in the Rose Garden on Trump's April 2 "Liberation Day", unveiling a baseline 10% tariff applied to all imports from all countries (Canada and Mexico were already subject to so-called "national emergency" tariffs on steel, aluminum and autos) and additional country-specific "reciprocal" tariffs based on what the administration deemed unfair trade practices by approximately 60 individual nations.

There have been additions, suspensions and adjustments since Liberation Day, including the recent move to raise steel and aluminum tariffs up to 50%. Trump's tariff war continues unrelentingly. Even the May 6 court order that quashed tariffs under the *International Emergency Economic Powers Act* (IEEPA) – a judicial stayof that order was almost immediately granted – has not deflected the Trump administration's apparently unalterable, undiminished resolve to its use tariffs as its keystone trade policy.

These events show that there's nothing — no trade agreement or set of international rules — that will interfere with the MAGA agenda. Trump's chaotic and unpredictable trade wars don't spare any of the G7 countries, putting enormous pressure on Mark Carney as he tries to steer the ship at Kananaskis.

Past confrontations with Trump don't augur well. There was a blow-up after the last G7 held in Canada in 2018, when Trump rejected the final communiqué, insulting Justin Trudeau in the process. As reported by CBC News:

"It took just two tweets by U.S. President DonaldTrump to shatter what seemed like a fragile consensus reached by G7 leaders after tense talks at their Quebec summit this weekend and raise the spectre of an all-out trade war with Canada. . . Just moments after the official joint communiqué was released outlining 28 areas of agreement by all seven nations — with a few exceptions — Trump tweeted he was instructing his officials to withdraw support for the communiqué."

The disagreement was eventually smoothed over, although the spectre of that shameful episode lingers. Then at the G7 meeting in Biarritz the following year, Trump had what was described as a "sharp and sometimes bitter disagreement" with several other leaders, this time over whether to allow Russia back into their club. While that disagreement was in private and

didn't boil over in the public sessions, it was reported as "one of the most heated moments" of the meeting.

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The disagreements with Trump in 2018 and 2019 were worrisome but there was an effort to put these aside so as to keep the Group as a functioning body. Subsequent G7 summits, notably during Joe Biden's presidency, went reasonably well. At the meeting in Apulia, Italy (13-16 June 2024) less than a year ago, the leaders said:

"We remain united in our commitment to the rules-based, free and fair, equitable, and transparent. multilateral trading system, with the World Trade Organization (WTO) at its core ... we reaffirm our attachment to transparency, to coordination, and to the respect of WTO rules in our respective policies."

In less than a year, with Biden's departure and Trump's return, the situation has been reversed, the rules-based order besieged, the risks of disunity magnified. Given the aggressiveness of Trump's trade wars in attacking other G7 members and threatening their economic well-being. Canada and European leaders will want to use the opportunity express their views face-to-face with Trump, with the risk that this will precipitate a disruptive response.

There have been efforts to show a degree of collective spirit in separate, advance meetings these past weeks among G7 foreign, trade and finance ministers, where there was a downplaying of any discord in their various communiqués. However, when the leaders gather, it seems pretty certain they will use the chance of hammering Trump's trade policies head-to-head.

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The challenge for Prime Minister Carney — as well as for other G7 leaders — will be to try keep these exchanges behind closed doors as much as possible, hoping a public explosion by Trump can be avoided. The situation is doubly tricky for Mr. Carney because of parallel discussions he's been having with Trump on a new Canada-US economic and security arrangement of some sort

UK prime minister Keir Starmer also has reasons avoiding a public confrontation, lest it jeopardize finalizing a UK-US trade deal that's in the works. And other European leaders may have similar concerns. But these unprecedented and destructive American actions, plus Trump's predilection for theatre, may make it impossible to keep these disagreements from erupting in the public domain.

None of this bodes well for Kananaskis. But assuming a disaster can be avoided, there could still be distant hope for consensus on a challenge facing all G7 governments — China and its aggressive, state sponsored export strategies, an area where Trump could find common ground with his counterparts.

The US ambassador to Canada said in a Globe and Mail interview this week that in Trump's view, the number one challenge to US security, safety and prosperity is China. While Canada, the Europeans and Japan have nuanced positions, leaders could coalesce on fighting China's massively subsidized exports, which not only cause significant trade and commercial distortions but also have long-term geopolitical implications.

As to other items on the Kananaskis agenda — international peace and security, global economic stability, growth and the digital transition — there could also be room for agreement, including on some of the trade related recommendations in the parallel Business 7 (B7) report, *Bolstering Economic Security and Resilience*, prepared by the heads of the G7 Chambers of

Commerce and chaired by Canadian Chamber CEO, Candace Laing.

Whether agreement on these lesser items can keep the G7 together as a functioning body is open to question. Trump's trade wars have pre-emptively compromised any semblance of G7 unity, presenting tough, possibly existential, challenges. Without the full support of the United States, itself the main stimulus in the formation of the group 50 years ago, it may have an uncertain future.

These are overarching challenges that will test Mr. Carney's skills and experience as chair. Trump's adversarial MAGA policies and the pace and intensity of other geopolitical events may mean the G7 has outlived its usefulness and risks fading into irrelevance.

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