

In the case of the poorest countries, there is underway a reappraisal of the approaches and actions that have been taken in the past.

There is a rapidly growing consensus that it is necessary to move beyond what has been done in the past. Canada firmly believes - and Prime Minister Mulroney has made the point with our Summit partners in Venice - that the crucial problem for these countries is not so much debt management as development.

We in Canada see the following as the key elements in dealing with the debt of the poorest. First, it is necessary to find some way to reduce their debt overhang positions vis à vis the IMF and the World Bank. These countries cannot be expected to pay back more than they receive from these institutions at this time. Second, future support for the adjustment efforts of these countries must be highly concessional. Third, official debt must be rescheduled on longer and easier terms. Fourth, countries who have not already forgiven or deferred their official ODA debt should do so as soon as possible. Fifth, ODA flows must be more flexible and liquid, and development strategies more effectively coordinated. Lastly, and of equal importance, the countries themselves must ensure that the domestic economic policies they pursue are realistic and appropriate.

Expanding world trade has served as the engine of global growth for the past twenty-five years. Many of our strategies and assumptions are based on the role we have thought trade plays in development. However, in recent years, trade has not been making the same contribution to development. Trade clashes, protectionist pressures, and tensions between the developed countries and between developed and developing countries have intensified the relationship of these questions with debt.

Our agenda on trade, thus, is quite clear. We must restore confidence in the GATT system. Marked progress must be made early in the Uruguay Round in dealing with trade restrictions and distortions. Our common objective in the MTN must be an improved framework of rules which meets today's challenges. Developed and developing countries share many common concerns and interests: we must work together. Together we must join our efforts to strengthening the multilateral trading system.

Canadians, as you know, are particularly concerned about the problems of agricultural trade. Canadian farmers, like those from developing countries, are caught in the cross-