

In November I chaired the GATT Ministerial meeting in Geneva. It was a difficult session. But we did emerge with a political agreement to resist protectionist measures that limit trade and to work within the GATT rules. We also agreed on a work program to address a number of trade issues, including trade in agriculture, fishery products and other resource products, notably metals and minerals. These are important issues to Canada and we will be participating actively in this work.

Secondly, we have participated in multilateral cooperative measures to assist the countries that are in the most serious financial difficulty. I refer, for example, to recent actions by the IMF, as well as official and private creditors, to assist Brazil and Mexico. These are ad hoc measures, but they do reflect the determination of the international community to manage the immediate crisis.

We have also been working to strengthen the capacity of the IMF to play its key role in supporting the international payments system. Recently its resources have been increased to enable it to better manage payments imbalances.

Later this Spring, at the OECD Ministerial Meeting and the Williamsburg Summit, Canada will be exploring ways in which nations can act together to further encourage a global economic recovery.

Our dominant economic relationship is of course with the United States. We have seen, in recent times, a new intensity in that complex partnership. In a difficult period generally, this is to be expected. Together, our interests are engaged across the entire spectrum of our national activities. The inter-connection of the North American economies is one source of Canada's prosperity and strength. We must not be surprised that such a vital relationship carries with it certain problems.

In pursuing our national objectives, we are sometimes obliged to adopt policies that are not immediately understood or easily accepted by our American neighbour. But this is a normal feature of the interplay of national interests in a close relationship.

In a period of recession, every country is tempted by protectionism. In the USA, that impulse is aggravated by structural re-adjustments in the older industrial areas of the country. It is reflected in the mood of the new Congress. We Canadians have our work cut out for us in ensuring that the Canadian perspective is understood and