

DIFFICULTIES SOME GOVERNMENTS HAVE IN MANAGING SUCH CHANGES IN THE CONTEXT OF THEIR DOMESTIC POLITICAL REALITIES. WE MUST ENSURE THAT CONDITIONS RELATED TO NEW LENDING TAKE ACCOUNT OF DOMESTIC AND EXTERNAL REALITIES.

- THERE MUST BE MORE EFFECTIVE USE OF NEW FINANCIAL FLOWS THAN IN THE PAST. WE MUST ENSURE THAT NEW FINANCING REPRESENTS NET ADDITIONAL FINANCIAL FLOWS. WE MUST ALSO DEMONSTRATE OUR WILLINGNESS TO SUPPORT THOSE COUNTRIES THAT ARE MAKING A SERIOUS ADJUSTMENT EFFORT, PARTICULARLY WHEN THEY RUN INTO DIFFICULTIES NOT OF THEIR CREATION.
- OUR EFFORTS SHOULD REFLECT A COMMON EVALUATION BY ALL PARTIES CONCERNED OF WHAT IS DESIRABLE AND WHAT IS POLITICALLY POSSIBLE IN TERMS OF POLICY ADJUSTMENT. LET ME REITERATE THE CANADIAN VIEW THAT SUCCESS WILL DEPEND ON A HIGH LEVEL OF COOPERATION AMONG COUNTRIES CONCERNED, MULTILATERAL INSTITUTIONS, AND COMMERCIAL BANKS. IN THIS WAY, WE CAN CONVINCE OUR DEVELOPING PARTNERS WE ARE SERIOUS ABOUT AIDING GROWTH. WE MIGHT ALSO HELP TO STRENGTHEN THE POSITION OF GOVERNMENTS OF DEVELOPING COUNTRIES WHICH ARE TRYING TO MAINTAIN DOMESTIC SUPPORT FOR ADJUSTMENT EFFORTS.
- MR. CHAIRMAN, ANOTHER WAY IN WHICH WE CAN BOLSTER LDC CONFIDENCE IN OUR DEBT STRATEGY IS BY OUR READINESS TO IMPLEMENT ADJUSTMENT POLICIES OURSELVES WHERE THESE ARE NEEDED. CANADA HAS PARTICIPATED FULLY IN OECD WORK ON STRUCTURAL ADJUSTMENT QUESTIONS, AND WE AWAIT WITH INTEREST THE SECRETARY GENERAL'S REPORT DUE FOR NEXT YEAR'S MEETING. BUT ONE CONCLUSION IS ALREADY CLEAR: FOR DEVELOPING COUNTRIES TO GROW ADEQUATELY AND SERVICE THEIR DEBTS, THEY MUST EXPORT. THESE EXPORTS MUST BE IN SECTORS WHERE THEY HAVE A COMPARATIVE ADVANTAGE. THE OECD COUNTRIES MUST BUY THEIR SHARE OF THESE EXPORTS, AND THIS IN TURN WILL NECESSITATE ADJUSTMENTS IN OUR OWN ECONOMIES. WE WILL ALSO BENEFIT BY THE OPENING OF THEIR MARKETS AND THE GROWTH OF THEIR ECONOMIES.
- THE EARLY LAUNCH OF A NEW ROUND OF TRADE NEGOTIATIONS WITH A COMPREHENSIVE AGENDA IS ESSENTIAL TO THESE OBJECTIVES. FURTHER TRADE LIBERALISATION IS A KEY ELEMENT OF OUR OVERALL STRATEGY TO PROMOTE SUSTAINED NON-INFLATIONARY ECONOMIC GROWTH. IT WILL BE ESSENTIAL TO PROMOTING ADJUSTMENT IN BOTH DEVELOPING AND IN OUR OWN COUNTRIES, AND TO ACHIEVING GAINS IN EFFICIENCY WHICH CAN HELP CONTROL INFLATION. THE