

development efforts around the globe. Like all the post-war institutions, they need to adapt - to radical change over recent years brought about by advances in technology that have revolutionized capital markets; to new challenges of sustainable development; to new balances of international power; and, to the growth of private capital flows and development of the private sector.

Canada's membership in the G-7 provides a valuable opportunity to influence change in these institutions. The Government will chair Halifax Economic Summit discussions in June 1995 on the reform of international economic institutions such as the International Monetary Fund (IMF), the World Bank, and possibly other institutions. This review must address the evolving roles of these bodies as well as the relationship between them and the numerous agencies related to the UN. Elimination of duplication and competing mandates will also be a major Canadian objective, consistent with our own resource constraints and fiscal strategy. We will pursue these goals in the Economic Summits and in other fora in the years ahead.

The proliferation of new **financial instruments** with complex legal and operating frameworks raises issues relating to the transparency of international exchange and other financial markets, the adequacy of safeguards for customers and systemic issues related to the stability of the international financial system. We will explore with our OECD partners whether the systems that regulate financial markets and institutions domestically should be replicated internationally to strengthen global financial stability.

***Ensuring a positive relationship between international rules for the sustainable management of the environment and the economy.***

- The Government will urgently promote internationally agreed rules on the sustainable management of **high seas fishing** that include recognition of the special interests of coastal states like Canada and that reflect the devastating impact on hundreds of Atlantic Canadian communities of the current decline of fish stocks. The Government has already announced that we would ratify the UN Convention on the Law of the Sea soon, and is reviewing domestic legislation to bring it into conformity with the provisions of the Convention with a view to proceeding with ratification.

The **forest products industry** is both the largest net contributor to Canada's balance of trade and a major source of employment. Responsible for approximately 20 per cent of world trade in forest products, Canada is an influential player internationally. The environmental role of forests is very significant: forests affect the pace of global warming; are a storehouse for biological diversity;