

The results of the recent Bonn Economic Summit Meeting give us one reading on the international economic outlook. Bonn was a difficult meeting. However, its discussions reflected the inter-dependence between the developed and developing world. There was a recognition of the need to sustain growth in world trade, to lower interest rates, open markets and to improve the flow of resources to the developing world. Official development assistance was recognized as essential to enable countries to achieve sound economic growth. It was very helpful to receive the views of the ASEAN countries as conveyed by Foreign Minister Rithauddeen as Chairman of the ASEAN Standing Committee. These views were reflected in Canada's interventions in Bonn.

The summit endorsed strengthening the World Bank. In Canada's view, the Bank should be given a more differentiated role in financing the longer-term growth and adjustment of developing countries like those in ASEAN. To address the special financial problems faced by countries which are neither among the poorest nor among the major debtors, Canada outlined a possible World Bank intermediate financing facility. This quote Third Window unquote facility would assist, for example, countries like the Philippines in ASEAN and other nations elsewhere, in strengthening and diversifying their economies. Canada's Minister of Finance is urging that this question be discussed at the IMF/World Bank Development Committee Meeting in Seoul in October.

Canada also supports the case-by-case approach to managing problems of indebtedness in the third world. At the same time, we are sensitive to the social and political costs of adjustment in debtor countries. We recognize that adjustment policies must acquire and maintain credibility with the populations of less developed countries. Adjustment policies above all must lead to a resumption of economic growth.

We place a high priority on building an international consensus to rejuvenate the multilateral trading system. It is in that context that I am sending a mission here in September led by the Director of our trade policy bureau to meet with your officials to help build that consensus.

My Government has just announced the first of a series of new initiatives as part of Canada's national trade strategy to expand exports and promote investment.