

As we support a more open international system, we are also pursuing direct negotiations with other trading partners. One does not preclude the other - instead, they reinforce each other. Our government has initiated negotiations with the United States, in recognition of the need to enhance and secure our access to the markets of our largest trading partner. If successful, such an agreement will generate growth, greater productivity and specialization within the Canadian economy, and if we are successful in overcoming protectionist trends in the USA, that will serve everyone's interests in opening markets.

The recently signed protocols between Argentina, Brazil and Uruguay were undertaken with the same intent, and for the purpose of forging a stronger regional economic entity that is able to compete fairly and equally on the international scene.

Progressive opening of international trade is also an important part of the strategy for coping with and reducing the burden of international indebtedness. Surely it is folly to lend large amounts of money to a country and then eliminate its capacity to earn foreign exchange to pay off its debt by raising protectionist barriers or competing unfairly through subsidies. Industrial countries must resist the temptation to protectionism and subsidy. The successful launch of the new round of multilateral trade negotiations is essential to these objectives. We hope that can happen as soon as possible.

Improved export performance is essential to the growth-oriented debt strategy which the international community has been developing in the past year. Canada welcomes this emphasis on growth. We were keenly aware that the previous focus on austerity and retrenchment was straining the political and social fabric of many indebted countries. The strategy had to be complemented by additional measures aimed at stimulating investment and growth.

Fortunately, we are now beginning to implement a strategy based on enhanced financial support for growth oriented adjustment measures. I am aware that some Latin American economists consider the current debt strategy inadequate. But I believe we are on the right track. Canada has committed Dhrs 45 million to the international package of support for Mexico. In 1985 we participated in the international arrangements to support the Austral Plan. We remain ready to play a constructive role in designing and implementing future support packages.