

continue to support, for example, balance-of-payments assistance to countries experiencing severe difficulties from declines in export earnings.

There is, however, a further and potentially more important lesson. Vulnerability to price and earnings instability will only be overcome when developing country resource exporters can rely on more diversified economic structures. They should participate more fully in the processing, marketing and distribution of their indigenous resources. It is a path on which Canada embarked decades ago. It is a path we urge our Southern partners to take.

Starting along the path is in the first place a domestic decision and requires domestic policies which encourage the development of local processing industries. To succeed, however, it requires a supportive framework of multilateral rules. While much has been achieved to develop such a framework, much more remains to be done. This Conference can make a positive contribution to this effort. The Canadian Delegation is pledged to help make this contribution.

As a nation heavily dependent on foreign trade for its economic well-being, Canada, like developing countries, is vitally interested in restoring a healthy trading environment. We fully recognize the important role that trade can play in economic development and we are deeply conscious of the need to ensure adequate levels of export earnings in developing countries faced with heavy debt burdens.

Our first priority should be to achieve a sustained non-inflationary economic recovery. Recovery will generate increases in import demand necessary as a basis for renewed growth in world trade. At the same time, we must continue to resist protectionist pressures. Trade expansion will benefit us all and we must all do what we can to keep our markets open. It is our sincere hope that this session of UNCTAD will contribute to restoring confidence in the ability and capacity of the international community to improve the trading environment. To this end, we must set ourselves realistic and attainable goals and shy away from rhetorical commitments which can undermine the credibility of governments and weaken the trading system itself. I was particularly pleased that the Williamsburg statement placed emphasis both on a dynamic approach to the problem of protectionism - i.e. that we could move to dismantling barriers as recovery proceeds - and also on our commitment to implement and monitor our stance against protectionism.