

Many challenges lie ahead for Canada and other major trading nations. For instance, achieving budget deficit reductions is a priority for many of us while the problem of large surpluses in the trading accounts of some of our partners cannot be ignored.

Also, dealing with the debt problem of middle-income developing countries and reaching a successful outcome in the ongoing GATT round-particularly in agriculture and intellectual property will require continued coordination and cooperation among all major trading partners.

GATT has a most important role to play in maintaining and enhancing an open international trading system.

In the Uruguay Round, important progress has so far been made on issues relating to market access, trade rules, dispute settlement, the functioning of the GATT, trade in services and tropical products.

I am optimistic that the groundwork has been laid for further progress on the thorniest issues in the months ahead.

Some have accused Canada of focusing too much energy on its trade relationship with the U.S.A. The wisdom of our commitment to secure and enhance access to our most vital export market should be obvious, but equally important is our commitment to a globally competitive Canadian private sector.

That is also the stated objective behind the completion of the single European market. The European market remains essential for us. Western Europe accounts for 36 percent of Canada's non-U.S.A exports and, along with the Pacific Rim, is the principal focus of Canadian trade and investment initiatives outside North America.

We are hopeful that Europe will remain open and contribute positively to the establishment of new rules and disciplines in the Uruguay Round that will lead to a more open, dynamic world economy.

In April, I hosted a conference on 1992 in Toronto. In attendance were several prominent European speakers including the Italian Minister of Foreign Trade, Renato Rugiero. Others included Sir Graham Day, Chairman of the Rover Group, Dr. Bruno Lamborghini of the Olivetti group and Bernard Esambert of the Rothschild Group.

I was heartened by their comments, which reflected a vision of a Europe confident in its own capabilities and open to fair competition with the world. They were most articulate in countering the myth of "Fortress Europe" and suggesting that it would be more appropriate to think of "Partner Europe".