

payments support, and will doubtless be involved with other countries.

We should also remember that the multilateral trading system is anchored in the GATT. Membership involves obligations but delivers benefits entirely consistent with the objectives of those who are reforming their economies based on market-oriented principles. Canada has therefore been an early supporter of the USSR request for observer status.

The European Community is a key element for economic growth and prosperity in Europe. While other countries and institutions are just beginning massive transformations, the EC's openness to the Central and Eastern European economies will be important for their development as market economies as well as a catalyst for their modernization.

A European Community committed to open markets will also be a potent force for world-wide economic growth and a more open world trade and payments system.

The European Community will remain a linchpin of Canada's relations with the new Europe. My government intends to expand institutional linkages between Canada and the EC, and to expand cooperation with the EC on a wide variety of issues bilaterally and in a host of multilateral bodies. Canada also recognizes the important role of the member countries of EFTA in assisting economies in transition and in the EFTA/EC efforts to further liberalize their own trading relationship.

Providing the stones for new foundation for this new house of Europe which we are building together with such great hope and care will be the CSCE of the 1990s.

The 1975 Helsinki accords have rightly been called the high-water mark of detente in the 1970s.

The CSCE summit later this year may well be seen by historians as marking the beginning of a radically new entente in the 1990s among all European and North American nations.

Canada will work to ensure that this new entente leads not only to a prosperous, peaceful and stable Europe, but towards a more prosperous, peaceful and stable world.

The CSCE Summit will likely mark the occasion of a major arms control agreement in Europe; but leaders will also want to deal with many of the issues arising from this conference.

They should take the first concrete steps towards revitalizing the CSCE, transforming it from an institution of East/West