

any elected government. We see these actions as confirmation of the kind of leadership that all of Argentina's friends hoped would be realized with the inauguration of President Alfonsin.

You are a most eloquent spokesman on the challenges facing the world in dealing with the debt situation. I would like to assure you, Minister, that Argentina should not believe that it faces its future alone. The implications of this situation for the region and for the global economy have preoccupied Canada since 1982. Canada has been and will continue to be actively involved in multilateral efforts with a view to ensuring that the over-all approach will be realistic, flexible and appropriate to the circumstances.

I do not want to review tonight the origins of this problem, nor to attempt to assign blame. There is plenty of responsibility to be shared. Our task now is to continue to co-operate to achieve a more encouraging future.

While we have made considerable progress in dealing with debt servicing problems in no small degree as a result of courageous adjustments of debtor countries, there is no room for complacency. The external economic environment is less favourable now for the necessary adjustment effort. In your speech at the United Nations last week, I noted that you made a very important observation which you also underlined in our discussions here in Ottawa. You said: "it is impossible to conceive of a stable situation in which austerity would not be accompanied by growth, or at least the hope of growth". Canada wants to work with others to ensure an effective international response to that hope.

Considerable co-operation among debtor and creditor governments, banks and international institutions will be essential. The case-by-case approach remains valid. The International Monetary Fund (IMF) and the World Bank must continue to play a key role in strengthening financial flows. However, the international community must consider ways to strengthen this approach.

First, industrialized countries must pursue policies to foster sustained economic growth and lower interest rates. In Canada's view, further progress in reducing the US budget would be helpful. Other industrialized countries which are in a position to do so must act to help compensate for a slowing US economy.

As a trading nation, Canada is crucially aware of the dangers of protectionism to its own prosperity and the threat to debtor nations. Therefore, industrial countries have a responsibility to resist these pressures. In view of the mood of the US Congress, this is a major challenge for us all. As part of this effort, I urge you, Mr. Minister, to consider carefully how you and your Latin American colleagues might work towards an early start to a new Multilateral Trade Negotiations round.

I believe we should also work to strengthen the role of the World Bank and the co-operation between the Bank and the IMF. Both institutions must have adequate resources and policies to continue to play an effective role in dealing with the debt and adjustment problems of developing countries by strengthening the prospects for financial flows. Greater attention should now be given to the role of the Bank. In the annual meeting of the IMF and the World Bank, Canada will be seeking consideration

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