

emergence of what amounts to a "second track" to the debt strategy, involving voluntary market-based innovative means of debt reduction.

Necessary for the promotion of continued economic growth is a strong commitment to liberalized and expanded trade. Here again there is scope for some optimism, in the ambitious Uruguay Round of multilateral trade negotiations now underway in Geneva. These talks are off to a good start. We must sustain this momentum throughout the hard bargaining to come, in order to bring the negotiations to a successful conclusion. These trade negotiations are also of critical importance to developing countries, particularly if the market-oriented policies for export expansion and growth which we are encouraging them to pursue are to have any success. We must ensure that they are given the tools to participate fully in the negotiations. We also have a major responsibility to take steps to meet their legitimate needs for greater, more secure access to OECD markets.

A strong and continued commitment by OECD countries to trade liberalization is urgently needed. Despite the encouraging global economic situation, protectionist pressures remain strong. As trade imbalances unwind, protectionism may become more attractive to those OECD countries moving increasingly into trade deficit as the current net importing countries such as the United States become net exporters. Should we fail to contain and defuse protectionism, we will all lose.

This is particularly true for the crisis in trade in agriculture. The "war of the treasuries" now being fought among the richest countries means rock-bottom world prices for many agricultural products. The dumping of these products in international markets is hurting many countries. Canada is not immune from the serious consequences of these practices. Prices for grains have in recent years fallen to their lowest levels since the 1930s. We have been forced to spend billions of dollars for special programs in 1986 and again this past year simply to keep Canadian producers in business. We are strongly committed to do our part to end excessive subsidization. The only viable option is a fundamental reform of the agricultural trading system as well as early relief measures consistent with the longer-term reform objectives. We must arrive at agreement on such an approach for the MTN Ministerial Meeting in Montreal in December.