

efforts to achieve more sustainable exchange rate relationships are to be welcomed. It has become amply evident in recent years that without appropriate exchange rates the trading system is subject to increasing strain and pressure. However it's well to emphasize that there is an important reverse relationship too. Protectionist measures, particularly those undertaken by major trading countries, will not only slow growth but will inevitably lead to misaligned exchange rates and will seriously exacerbate the global debt problem.

The lesson is clear. Current trade problems need to be addressed in concert with ongoing efforts to strengthen the international trade and payments system.

The status quo is not viable. As we have been coming out of the difficult economic recession, it has become quite clear that the new growth opportunities will require an improved climate and greater confidence by our respective producers to plan, to invest and to compete with one another in the global market. There is a worry in the Canadian business, farming and fishing communities and in our labour groups, that the stability and predictability of access to markets is seriously threatened by protectionist pressures. Developing a more predictable environment for trade and investment and enlarging market access is thus a fundamental task for us.

It seems to the Canadian Delegation that the key questions are:

- Will the new MTN be a timely and credible response to the serious challenges confronting all of us? We believe it can be but this is why the MTN preparatory process must be convincingly seen as being underway now.
- Will the MTN agenda be broadly based so as to reflect the legitimate interests of all countries? Clearly this has to be the case at the outset if the negotiations are to be meaningful.
- Will the MTN be a genuinely open negotiating process without preconditions and without prejudice as to the nature of potential trade-offs and linkages between issues and sectors? We strongly believe that the questions of linkages essentially concern individual national negotiating strategies and properly belong to the later stages of the negotiating process.