

fire of a potentially destructive subsidy war. The tensions generated in this war threaten the world trading system and the success of the Uruguay Round. On the other hand, there is consensus on the need for fundamental reform in the agricultural sector. We must work together to achieve the objectives of the MTN in this area.

The continuing fluctuation and declines in commodity prices directly affect development particularly, but not exclusively, in the Third World. As a significant exporter and importer of commodities, Canada also has a real and direct interest in commodity trade issues. Fundamental to our view is the conviction that any response to commodity problems is best considered from the perspectives of both producers and consumers.

We believe that a practical common policy approach on these issues should embrace several elements. First, policies and practices that have distorting effects on commodity markets, such as trade barriers, rigid production policies, and restrictive investment policies must be avoided. Second, developing countries must aim at diversifying their economies, taking into account the opportunities offered by domestic markets as well as regional and international markets. The MTN provides a means by which these opportunities can be both protected and expanded. Lastly, improved producer-consumer dialogue will provide the most effective way of resolving problems and increasing market transparency. That will enable producers to respond better to market signals.

Against this background, the challenge to UNCTAD is great indeed. All too often in this forum, we have wasted time and resources on rhetorical overkill, conference brinkmanship and the negotiation of meaningless verbiage. We, as individual countries, and UNCTAD as an organization, face a changed and changing world. For example:

- Steady, high growth in the international economic environment can no longer be taken for granted.
- New countries have become major economic players and old relationships have altered.
- The global division of labour between developed and developing countries is accelerating and changing under the influence of technology and competitive market forces.
- Technology has also altered patterns of production in manufacturing and services. The world has become a global factory.