

We know that, with an external debt of \$360 billion U.S., and counting every day, there's a financial time bomb ticking in the hemisphere.

We know that it threatens not only to undermine the stability of the international financial system, but our very way of life.

We believe in the north that the situation calls for flexibility in the re-negotiation and re-financing of debtor states loans.

We believe that in the south the situation has required drastic and difficult action, and severe sacrifices.

Having borrowed to grow, the developing nations must be permitted to contribute to the international economy. Canada is firmly on the side of an approach that allows the debtor nations ample time, flexibility and fairness in order to work out reasonable solutions to this problem.

Having taken the appropriate measures to control their debt, they must be permitted through trade to find renewed growth.

It's as simple and as complex as that. It's why we have supported the Baker initiative. And it's one reason why all of us attach so much importance to the meetings which begin today in Punta Del Este.

The Punta Del Este meeting marks the first time the GATT signatories have met in a developing country, and reminds us all of the important role Latin America plays in the world trading system.