

## Closing Remarks

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*John W. Crow*

In concluding this symposium, I would like to leave you with my impressions on some of the issues addressed in the symposium. Let me warn you, though, these are only impressions—not a comprehensive summary of the discussion. Since they are my impressions, I will keep them brief.

There was a lot of discussion about the merits and demerits of regional trading arrangements versus multilateral trading arrangements. The score is 2 to 2. As chairman, let me put in my two cents on the side of Fred Bergsten and Paul Volcker. We have to work very hard to preserve the global, and I emphasize global, framework. In this regard, Michael Mussa made a very important point. There is Eastern Europe, there is Russia, there are the developing countries. They all want to join a framework; they want to join the General Agreement on Tariffs and Trade (GATT), imperfect as it is. We should do absolutely nothing to discourage them from joining GATT. ■

Canada's entry into the U.S.-Canadian Free Trade Agreement did have a defensive aspect to it. Namely, we wanted to get in under the wire of emerging protectionism. But it also had the outward looking aspect of bringing Canadian industry up to scratch in a world market environment.

While there are important policy issues arising from currency unions, they are not as important as the issues arising from trading

relationships. We are certainly not headed toward a Mundellian world with a single currency. I agree with **Allan** Meltzer that by maintaining domestic price stability, central banks can provide the surest foundation to the world trading arrangements and world payments arrangements.

Many people have noted that there is more than economics involved in European integration. However, Jacques de **Larosière** emphasized a lot of the economics discussed by Martin Feldstein and Michael Mussa. And David **Laidler** had wise words to say on the North American Free Trade Agreement in this regard.

I just note that Pedro Aspe, in a carefully crafted phrase, referred to Mexico's ambitions and policies as "lower inflation and a sustainable real exchange rate appreciation." That seems to me to imply that the exchange rate is a dragging anchor.

In Canada, monetary policy's anchor is domestic price stability. This is what we at the Bank of Canada can deliver through our monetary policy. If others can also deliver price stability, then everyone will be better off. Furthermore, there is no truth in the rumor, not spread by Paul Volcker, that Miguel Mancera and I are here suing for membership to the Tenth Federal Reserve District. That does not mean, of course, that we are not interested in the progress of U.S. monetary policy.

- Finally, I would like to extend my appreciation to our host, Roger Guffey. This is your last conference here as host. Once again, you have given us a splendid and imaginative conference, and our appreciation should not be tempered by the fact that the Kansas City Fed does it every year. We appreciate having the opportunity of getting to know you, of getting to know the Kansas City Fed, and of getting the chance to meet together here.