

base for progress in the next six months. There has been close co-operation among the developed countries which constitute the group of eight at the conference. Some advances have been made in defining specific areas of concentration for the work program of CIEC, with the aim of arriving at a concrete outcome at the Ministerial Meeting next December. More progress must be achieved in this area if we are to succeed; and time is becoming short. The July meetings of the four commissions will have an important role to play -- that of defining their work programmes for the second phase of the conference.

We are now reaching a delicate period in the North-South dialogue in CIEC -- a period of transition between the first, analytical phase and the second, action-oriented phase. At the meeting last week of CIEC co-chairmen there was broad agreement on launching the action-oriented phase of the conference. And here I must raise one point which concerns me. I see the possibility of misunderstanding or ambiguity regarding the word "action". The challenge in the second phase of CIEC will be to define what action we are talking about, and what action will be acceptable to all sides.

The industrialized countries must work together to ensure that the action-oriented phase indeed produces concrete results. We must do all we can at this OECD Ministerial Meeting, and at future meetings dealing with this issue, to preserve a good climate for the North-South dialogue -- in Paris and elsewhere. In substantive terms, we must break the back of some of the basic issues on the table, although at present it is clearly premature to indicate what kinds of solutions may eventually emerge. This means that we will all have to come to grips with some difficult problems in the next six months -- for example, the indebtedness of developing countries, and a balanced approach to commodities.

The industrialized countries, I believe, must work together in close consultation as the work of the Conference progresses, but I should stress that our unity as a group is directly related to the prospects for real movement in our respective positions. It would be very difficult to remain united as a group if our positions were static or retreating.

As co-chairman of CIEC, I would like to be assured of the real commitment of developed countries to positive action toward international economic co-operation during the second half of the conference. We are committed to an action-oriented phase. Foot-dragging could lead to the break-down of the North-South dialogue. When weighing the costs of action on the issues before us, we must also weigh the costs of inaction.