

alized nations but to the international community at large. Recent events in Iran will further test the capacity of the international community to manage the global economy -- a challenge we can meet more confidently as a result of discussions last week in the International Energy Agency, in which Canada is an active participant.

A successful outcome to the Multilateral Trade Negotiations, which are now in their final phase, should contribute significantly to more open and fair conduct of international trade. Canada's exports stand to benefit directly from the general reduction of tariffs and the removal of non-tariff barriers. Although import competition will naturally increase in some areas, many input costs will decrease; this should contribute to Canada's industrial competitiveness domestically as well as in export markets. The MTN results, however important, will of course be only one factor in the broader adjustment process facing the Canadian economy and the world at large. An important element in this process remains the increasingly complex economic relationship between the developed and developing countries.

4. North-South Challenge

Canada remains committed to the North-South Dialogue and, despite the economic difficulties which we share with other industrialized countries, a substantial development assistance programme. We carry on our dialogue with the Third World in many ways: at the United Nations, through bilateral contacts, ad hoc groupings, or by means of contacts in the Commonwealth and la Francophonie. An indication of our commitment was the participation by the Prime Minister in the Manley Summit in Jamaica, which provided an informal opportunity for discussion of major North-South issues by a small group of government leaders. Considerable attention was devoted to improving the atmosphere of the North-South Dialogue by avoiding rhetorical confrontations and fixed bloc positions, and to the desirability of giving priority to those issues where progress can realistically be achieved. We are hopeful that the lengthy and complex negotiations on the Common Fund and the Code of Conduct on the Transfer of Technology can be concluded fairly soon. The next phase of the North-South Dialogue will take place at UNCTAD V in Manila in May 1979. Planning is well under way for active Canadian participation in this meeting, which will encompass virtually all aspects of the economic relationship between the developed and developing countries.