

(2) We must come to grips with the continuing pressures on the international financial system, to ensure that the instruments, the resources and institutions are adequate to the tasks of both long-run global recovery and short-term emergency. Emergencies need to be met in a manner which is tailored to individual circumstances, and which honours the fundamental principles of prudence which guide both domestic economic management and the operations of the international banking system. However, I will urge my Summit colleagues to address the need for fully adequate financial flows to sustain Third World recovery, and to alleviate the deep deflationary pressures which now play on those economies. In this regard, I believe some of the proposals emerging from the Non-Aligned Movement merit careful study; and I look forward to the results of the IMF examination of the call for a further allocation of Special Drawing Rights.

(3) We must use the engine of recovery to remove trade barriers which were introduced as temporary measures during the period of recession. We were all a little bit guilty but not as much as in the Thirties when everyone was pursuing beggar-thy-neighbour policies. But we must commit ourselves to resist more subtle but equally destructive predatory trade practices.

(4) We must concern ourselves, as well, with the instability and uncertainty of energy pricing. I have spoken of the recent fall in prices as easing the burden of oil-importers. But it has also increased the difficulties of some oil exporters who have borrowed heavily of the strength of future oil revenues, in order to finance rapid development. We must ask ourselves whether the short-term benefit of lower prices is not offset by the potential for damaging shocks in the future, as oil markets tighten again. We must broaden our horizons to see what consumers and producers, jointly and severally, can do to minimize instability in supply and prices. We should try to remove the threat of uncertainty which frustrates the domestic goals of both groups. Above all, we must prevent a reckless slide into renewed shocks and distortions.

(5) Beyond the interlocking financial and economic interests of industrial countries and the newly industrializing countries of the Third World, we must look to the special needs of the poorest countries. Of the \$50 billion of core funding to which I have referred, only some \$10 billion flows to those poorest of countries. It is not in the interest of humanity — indeed, it is not acceptable to humanity — to see the prospects for these countries deteriorate further. Canada will ensure that its commitment to allocate 0.5 per cent of our gross national product to aid programs is achieved by 1985 and we will continue to concentrate our resources on the needs of the poorest countries.

(6) We must, as well, support and invigorate the key institutional areas of enlightened internationalism — the Bank, the Fund and the GATT. We must continuously find ways to strengthen the capacity and credibility of these institutions. We must facilitate closer political management of these bodies and create more effective links between them.

Such, Mr. President, are the six economic objectives I shall pursue at the Summit. For it is absolutely critical that we provide assurance that we have a shared and indivisible interest in the renewal of a disciplined and compassionate world order.

In bringing this agenda to the Summit, I believe I will be acting in the best interests of Canada, and carrying to the world the assurance of the best efforts of Canada.

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