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framework of world trade and finance in the 1980s. There is much at stake for both developed and developing countries. I wish now to turn to three areas of particular concern to developing countries -- commodities, trade liberalization and industrial co-operation.

### Commodities

The area that has been accorded the greatest attention of late is commodities. This attention is undoubtedly justified. As both an importer and an exporter, Canada regards the instability of the international commodities market as a major weakness of the international trading system.

How can we best deal with the "boom or bust" phenomenon in commodity trade?

- (1) We believe commodity arrangements involving both producers and consumers constitute the most practical approach to the problem. Canada was an early supporter of commodity arrangements, including formal agreements on a commodity-by-commodity basis. We are one of the few countries that have adhered to all the major commodity agreements.
  - (2) We are prepared to examine positively the idea of negotiating arrangements for a wide range of products, including, but not limited to, those listed in UNCTAD's Integrated Approach.
  - (3) We recognize that the use of buffer stocks and alternative stock mechanisms may be an appropriate stabilizing technique for a number of commodities.
  - (4) The conception of a common fund for financing such stocks is certainly worth examination. We are prepared to consider this conception sympathetically, along with other potential donors, including both producers and consumers.
  - (5) We recognize that commodity prices cannot be determined without reference to market forces. At the same time, we are well aware that no one's interest is served by commodity prices that are so low as to discourage production.
  - (6) We believe new features in commodity agreements to take account of international inflation and exchange rate changes should be explored.
  - (7) We wish to pursue these issues in the context of UNCTAD's Integrated Approach.
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