

sources which these adjustments would entail can best be achieved in the context of a growing world economy.

- We believe the reform of existing institutions, where possible, is preferable to the establishment of new ones; and
- We believe positive co-operation not confrontation is required to solve difficulties particularly in the area of commodities and other raw materials, including energy resources.

The discussions and negotiations now under way will establish the 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 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?

- 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 which has adhered to all the major commodity agreements.
- 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.
- We recognize that the use of buffer stocks and alternative stock mechanisms may be an appropriate stabilizing technique for a number of commodities.
- The concept of a common fund for financing such stocks is certainly worth examination. We are prepared to consider the concept sympathetically along with other potential donors, including both producers and consumers.
- We recognize that commodity prices

Canada's delegates to special session of United Nations General Assembly

Led by the Secretary of State for External Affairs, Allan J. MacEachen, the Canadian delegation to the seventh Special Session of the United Nations General Assembly, which convened in New York, September 1, comprises:

Dr. Saul F. Rae, Ambassador and Permanent Representative of Canada to the United Nations;

Mr. Herb Breau, Member of Parliament, Parliamentary Secretary to the Secretary of State for External Affairs;

Mr. D.D. Tansley, Senior Vice-President, Multilateral Programs Branch, Canadian International Development Agency;

Miss P.A. McDougall, Director General, Bureau of Economic and Scientific Affairs, Department of External Affairs;

Mr. G.F. Bruce, Deputy Permanent Representative and Minister to the United Nations;

Mr. A.L. Halliday, Acting General Director, Office of General Relations, Department of Industry, Trade and Commerce;

Mr. R.J. Martin, Acting Director, International Programs Division, Department of Finance.

have to reflect market forces. At the same time, we are well aware that no one's interest is served by commodity prices which are so low as to discourage production.

- We believe new features in commodity agreements to take account of international inflation and exchange rate changes should be explored.
- We shall wish to pursue these issues in the context of UNCTAD's Integrated Approach.

Trade liberalization

On trade liberalization we believe that improved access to markets can yield significant benefits to developing countries.

- At present 75 per cent of Canada's imports from developing countries enter duty free and we have proposed in the trade negotiations the removal of all duties on tropical products by industrialized countries.
- We are prepared to consider deeper tariff cuts and advance implementation on a most-favoured-nation basis of

other tariff cuts of interest to developing countries.

- We are also reviewing our generalized system of tariff preferences for developing countries in light of their suggestions for improvements.
- We recognize the importance that developing countries attach to the further processing of their commodities prior to export. We share with developing countries a common interest in the removal of tariff escalation and non-tariff barriers which impede the establishment of efficient processing facilities in the resource-exporting countries. In our view the sector approach provides an important technique for achieving this goal in the multilateral trade negotiations.

Industrial co-operation

The further industrialization of developing countries is an essential element in any concerted attack on the disparities which divide rich and poor. In shaping the world of the 1980s we must aim to bring about faster and more balanced industrialized growth in the developing countries. We recognize that developed countries must contribute to this process.

- Two of the elements essential to more rapid industrial growth – investment and technology – are primarily available from the private sector in industrialized countries.
- We believe there is an urgent need to reconcile the legitimate interests of developing countries – their need for capital, their right to sovereignty over their natural resources, their control over their own economic destinies – with the role of the private sector in providing capital and technology.
- Industrial co-operation on a bilateral basis may be an effective means of reconciling these interests. It might incorporate a variety of instruments, including investment, technical assistance, management training and advice, and at the same time provide a legal framework within which the private sector can operate to the benefit of both participating partners.
- We believe that a model industrial co-operation agreement might be devised internationally as a guide to governments and the private sector.
- We favour the provision of information and expertise to developing countries on the means whereby host coun-