

which imposes unnecessary costs in lost production on the world economy.

There have been no breakthroughs in the North-South dialogue comparable in effect to the major oil price rises. What is more, North-South negotiations have taken place against a background of demands for a new international economic order which is so radical and comprehensive that the accomplishments or successes of the dialogue necessarily appear diminished in comparison. I don't wish to suggest that there has been satisfactory progress in the dialogue. I think it urgent that we achieve much more. But I do think that we risk losing our sense of perspective — and perhaps the optimism needed to maintain the dialogue — if we fail to measure the accomplishments against the fundamental nature of the issues, the relatively short time during which they have been seriously debated, and the difficult economic context.

There have been a number of significant agreements and concrete steps. The Generalized System of Preferences, negotiated at UNCTAD II in 1968 and largely adopted in the early 1970s, has been a major factor in the improved trading position of developing countries. As a result of the Conference on International Co-operation and Development, a \$1-billion Special Action Program was instituted to transfer resources quickly to the poorest developing countries. There has been a series of changes negotiated in the International Monetary Fund (IMF), including special oil facilities and new facilities to aid balance-of-payment adjustment over longer periods and for larger amounts. There was also an agreement to transfer to developing countries a significant share of the proceeds of IMF gold sales. The Integrated Program for Commodities, agreed in principle at UNCTAD IV in 1976, created the framework for the agreement on a common fund, which was finally concluded two weeks ago, and for specific commodity agreements, such as that on rubber reached earlier this year. I was able to announce in Kuala Lumpur last week Canada's decision to sign this agreement. The consensus at the Law of the Sea Conference on the designation of international seabed resources as the common heritage of mankind and on the establishment of an international seabed authority represents an innovative step in international organization and promises significant benefits to the Third World. Most recently, the UNCTAD Conference on Restrictive Business Practices this spring reached the first broad international agreement in this area.

It is possible in looking at these agreements to say "yes, but". Yes, accord was reached on these issues, but it is still sought on many more. Even so, the catalogue of agreements, which could be extended beyond the examples I have mentioned, does not indicate the total blockage in the North-South dialogue which is sometimes charged.

In addition to these instances of concrete agreements, there has been progress which is less tangible but still of real significance in relation to our thinking about and understanding of North-South issues. This frequently arises from studies, particularly by the international financial institutions and the Organization for Economic Co-operation and Development (OECD), of developing countries' problems and of the nature of interdependence between North and South. For example, we now have a much better understanding than we did ten years ago of the effect of North-South trade in aiding growth in developing economies and in reducing inflation in developed