

The energy question of course goes beyond that of oil. It involves other energy sources and the technologies needed to exploit them.

I realize that this session was not called primarily to deal with energy resources. They are, however, of such importance to the topics on our agenda that I wish to emphasize the need for a constructive dialogue to be engaged on energy and energy-related problems wherever appropriate. Such a dialogue is needed particularly between the principal consumers and principal exporters, whose decisions are crucial for the world as a whole and especially for the energy-poor developing countries. Canada, for its part, is willing to develop mechanisms for consultation between importers and exporters of uranium.

#### INFLATION

If the energy situation has had little direct effect on our balance of payments, Canada like other countries cannot hope to escape the inflationary effects of rising prices at a time when inflation is already a serious international problem. The terms of trade have in recent months shifted significantly in favour of commodity producers, as the prices of minerals and agricultural products have risen to unprecedented levels. But we are all consumers -- of raw materials and manufactured products -- and it is as consumers that the impact of world inflation is brought home to us most forcibly. I can see no easy solutions to this problem.

Governments can help by pursuing responsible policies. It is inescapable, however, that current energy costs compel a restructuring of international markets which will inevitably take some time to work out. Every country will face challenges in adjusting its economy to the changed situation.