

Let us hope that nature will bless the world with good crops this coming year. But we must never again, if we can avoid it, permit the margin between famine and sufficiency to become so narrow. I shall not at this time expand upon the steps that must be taken. That is more suitable to the World Food Conference. Let me leave this thought: that only if the heavily-populated developing countries achieve a higher degree of self-sufficiency in food can the future be faced with reasonable equanimity.

Energy The sharp rise in the price of oil and changes in supply and demand have had extraordinary effects around the world. As in the case of other raw materials, Canada has approached this situation as both a producer and consumer, as both an importer and exporter. Because we import as much petroleum into Eastern Canada as we export from Western Canada, we have gained no significant advantage in our balance of payments from these developments. We have not, of course, been insulated from international price increases. At the same time, in contrast to many less-fortunate countries, we have not suffered serious set-back.

In general terms, Canada favours an orderly framework for world trade in oil, which would provide for stable prices at a reasonable level. Such a framework would reflect the cost of bringing in new conventional and non-conventional sources of energy in order to meet rising demand. Prices should yield a fair return to the producer, without overburdening the consumer.

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