

In the abstract, there may be some merit in that line of reasoning; but in the real world, it leads nowhere. No Government of Canada could alter its economic policies in favour of developing countries, unless it were supported by the Canadian electorate; and the Canadian electorate is made up of workers and farmers from Quebec, the Maritimes, the Prairies and other regions. These workers will not support policies that would deprive them of their jobs overnight; but I believe they would support adjustments in the Canadian economy which would gradually make room for the manufactured products of the Third World, gradually improve their export earnings from raw materials, and gradually convert those Canadian regions that would be affected to new industries which may better reflect the country's fundamental trade advantages and whose products could be exported in return to developing countries.

What will be the outcome of the review now underway? Quite frankly, I do not know. The Interdepartmental Committee which we have set up for this purpose has been meeting for only a few months; its preliminary working papers are not yet completed. But I know that the extent to which we will be able to adjust our economic policies to the new realities of international development will depend on a great many factors. First, it will depend upon the state of the world economy, since a resumption of growth in the world would stimulate exports and production in Canada and enable the Canadian economy to adjust more easily to a new trading pattern, more favourable to developing countries. Secondly, it will depend upon how successful we will be in curbing inflation while maintaining the domestic rate of growth in Canada: so that the efforts of my colleague, the Minister of Finance, in negotiating a programme of voluntary restraints with the various sectors of the Canadian economy have a direct bearing upon our ability to meet the demands of the Third World. Thirdly, it will depend upon how successful we will be in persuading other industrialized countries to follow suit. For we live, after all, in a competitive world; and adjustments which might be easily bearable were they to be made simultaneously in the United States, Europe and Japan would become unbearable if Canada were to be the only country to undertake them. It will depend, finally, on a lot of other factors: the ability of developing countries to leave slogans aside and to deal with practical issues; their willingness not to interject in every discussion on economic affairs extremely difficult and hardly related political issues such as the Middle East conflict; the skill, flexibility and imagination which politicians and technicians from all countries will be able to muster.