

The second summit will be the annual Economic Summit of the seven industrialized countries which met most recently in Venice. The seven agree that the next summit to be held in Canada, should give particular attention to North-South issues, including aid, food production and energy. As host, Canada will work to promote a fruitful discussion.

The third summit will be the Commonwealth meeting in Melbourne at the end of September 1981. The Commonwealth has developed into a privileged forum for informal and frank discussions between a large group of countries from both the developed and developing world. The Melbourne meeting could well prove especially useful, coming after the two earlier summits and while the global negotiations are under way. Taken together, the global negotiations and these three summits will offer an exceptional opportunity to press for progress on North-South issues in the next 15 months.

I propose today to give you some views from a Canadian perspective about where we have come in North-South relations in general and in the North-South dialogue more particularly. In addition to trying to draw some lessons from the recent history of the dialogue, I shall try to assess the possible impact on North-South relations of three major developments of the past year or so, namely the roughly 150 per cent rise in oil prices, the Soviet invasion of Afghanistan, and the publication of the Brandt Report.

### Looking back

The 1970s cannot be easily characterized as a period in which things got better or worse, in terms either of the North-South dialogue itself or of the more objective economic circumstances of the world.

Consider first the economic situation. On the positive side, some Third World countries, notably most oil exporters and the newly-industrializing countries, experienced unprecedented growth over most of the past decade. Even a very large and poor country like India was having real success in dealing with a fundamental problem like food production and in moving to a higher level of growth. Some important aspects of living conditions in developing countries, including health, life expectancy and literacy improved markedly.

Against this, there were two major disappointments. The first was that the poorest developing countries had very low rates of growth, especially in *per capita* terms. These countries were largely shut out of commercial borrowing and thus could not maintain their levels of imports in face of rising prices for oil, food, fertilizer and some manufactured goods. In relative terms, they fell even further behind the so-called low and middle-income countries. The number of "absolute poor" — those deprived of the minimal necessities of decent existence — continued to grow.

The second major disappointment was that the world economy suffered serious disruption and important losses in potential output because of two major oil shocks. It is clear, in retrospect, that the long period of cheap oil could not continue. It would not have been fair to oil producers nor in the longer-term interests of the world economy. That said — and even if we question the precise level of present prices, as we do — we can only regret that the two rounds of oil price rises have come in a way