

this regard. In particular, there has been an increased awareness of the contribution of the developing countries to the overall world economy. It is now projected that between 1980 and 1990, developing countries will account for more than a quarter of the increase in world trade. These statistics mask, of course, important differences among the various developing countries most involved as well as the relative impact of these changes on individual economies. But they do indicate that developing countries are moving closer to the centre of the world economic stage.

Interdependence also has a price. It tends to make all nations more vulnerable to shocks from the outside and from forces beyond the control of national governments. It is therefore of paramount importance that the international institutions which provide the frameworks for the international economic system function effectively. If they do not, if they become deadlocked and divided along bloc lines, or if they become hostage to narrow interests, then the international economy will suffer. Under these circumstances, interdependence becomes a liability and all states suffer.

Inflation, high interest rates and sluggish growth pose real problems for the industrialized countries. The constraints on export growth and financing are mounting in the middle-income developing countries. It is, however, the low-income countries -- particularly, the least developed -- which are the most vulnerable and whose prospects are the bleakest. Whether oil shocks or high interest-rate shocks, they have suffered most.

The rising prices and diminishing supply of conventional petroleum reserves have had a major impact on all of us, but the impact of the two oil shocks of the '70s has had a disproportionate effect on the developing countries, setting back the development plans of many of them. Canada agrees that a high priority in international action should be accorded to their energy needs. It is because energy is central to development, that Canada supports the expansion of World Bank energy lending, including through a new energy affiliate if this were eventually feasible, to assist developing countries in their energy programmes.

In Canada, we have responded to this need by creating a new development assistance arm of our national oil company -- Petro-Canada International -- devoted to aiding oil-importing developing countries in the mobilization of their own energy resources, particularly