and some developing countries may have taken a short-sighted position in rejecting energy consultations. They wanted to continue to use the oil-price lever to extract concessions from developed countries on the North-South issues and judged that energy consultations would diminish this leverage in some way. They were also mindful of the political sensitivities of the great number of developing countries outside the CIEC discussions. Paradoxically, the countries which had the most to gain from energy consultations were, in fact, developing-country importers. They did not press OPEC for fear of offending a potential benefactor. Yet OPEC needs their political support to add respectability to its stand on oil prices. Some new form of energy consultation may emerge in the next few years. For the time being at least, such consultations will be bilateral.

In the areas of commodities and trade, the 18-month debate was not very satisfying. Commodity questions focused on a common fund for price stabilization. Although the general idea of a fund was agreed to, very different perceptions remain on its nature and functioning. Developed countries would accept a common fund that would emerge out of already-established commodity agreements with buffer-stock funds of their own. Such a fund would thus be a pooling of individual funds. Developing countries want the broader common fund established first, to provide a stimulus to individual commodity agreements, negotiations on which have been lagging. They also have a broader perception of what the fund will do once it is in existence, seeing it as having a transfer of resources function (to poorer countries) as well as a commodity-price-stabilization function.

The common fund debate, which has gone on for a few years, has an air of unreality to it. There is no agreement on the commodities which would be covered. Sugar, cocoa, coffee, tin, rubber and copper have been mentioned in various quarters, but each would present special problems. Developing countries themselves find that their enthusiasm for the broad political concept of a common fund diminishes when discussion turns to the particular commodity in which they have an interest. The debate on the common fund may not lead to much in the real world of commodity trade. A common fund may some day be established, but perhaps more as an aid fund rather than a fund for intervention in commodity markets to stabilize prices.

It is apparent, however, that governments will increasingly intervene in commodity markets. It is not plausible that the availability and price of crucial commodities will continue to be determined by the vagaries of private commodity speculators or of multinational corporations. Commodity market management is an area in which governments will have to become more expert, and there is no doubt that they are already heading in this direction. Governments may attempt, more and more, to manage supply and availability of exports of raw materials as well as demand for imports. They may intervene to play a role in setting prices, guided probably by longer-term market trends dictated by supply and demand.

On trade, and particularly trade liberalization, there was little progress at the CIEC. The real focus of developed country attention on trade was on the Multilateral Trade Negotiations (MTNs) in Geneva. Willingness to provide greater access to markets on the part of industrialized countries is lacking, reflecting difficult national economic situations and the resurgence of protectionist pressures. In most developed countries, the views of producers wanting protection take precedence over the concerns of consumers. Unfortunately, by some, the MTNs are looked upon as a problem rather than an opportunity, and tariff reductions are looked upon as concessions granted in negotiations rather than a common objective.

Resurgence of protectionist pressures

The indebtedness of developing countries was one of the major issues discussed at the CIEC. Some progress was made towards a better appreciation of the situation. Regarding aid-related debt of the poorest countries, Canada and some others took significant steps, writing off debt of least-developed countries and deciding to give aid to those countries on a grant-only basis in the future. The much larger issue of the enormous debt accumulated by middle-income developing countries, largely through commercial borrowing from private banks, was not tackled directly, nor did many developing countries want it to be. The problem is that some developing countries with access to private capital markets do not want to subject themselves to stringent IMF conditions for borrowing in the higher-credit "tranches". Thus they turn to commercial banks, which assess their credit-worthiness on a case-by-case basis and do not impose strict conditions on their economic policies. In this manner, they have accumulated debt-service obligations which they may eventually have difficulty in meeting. This area will bear