

governments and leaders will need to devote time to other subjects as well. Among the major items I anticipate at this stage for Ottawa's agenda are the tensions between fighting inflation and coping with the implications of the low- or no-growth scenarios foreseen for most Summit and other developed countries over coming months, with their significant social and political overtones particularly at a time of growing unemployment in many industrialized states. Recycling of petro dollars and the debt and balance-of-payments needs of a number of significant developing countries are other difficult current issues, although we would hope that the May meeting of the IMF Interim Committee in Gabon will be of help in further improving the system. We were in this connection very pleased at the recent agreement between the IMF and Saudi Arabia under which the latter has undertaken to provide some \$8 billion SDR (special drawing rights) in loans to the IMF while IMF members have agreed to a special increase in the Saudi quota in the IMF. This is a good example of recognizing the need to share power where it exists in the South.

The international trade situation is frankly worrying and Summit leaders may well want to reflect on how to avoid a destructive protectionist focus on bilateral irritants — of which we all confront unfortunately too many these days — and instead devote their attention to ways of renewing the impetus to expanding world trade in the interests of all participants. In addition, leaders will, of course, need to review progress on the comprehensive energy strategy they agreed on at Venice.

Also arising out of Venice, leaders will have before them the report on North/South issues to which I have alluded already. I expect this set of conclusions from the personal representatives will give rise to a substantive and thought-provoking discussion among leaders of Summit countries' relationships with developing countries, looking to the future and bearing in mind notably the Commonwealth heads of government meeting beginning in September in Melbourne and the North/South Summit planned for Mexico in late October. This is a subject to which we in Canada continue to attach very great importance.

One major priority area which comes to mind is energy assistance to developing countries; I think of the proposal for a United Nations conference this August on new and renewable sources of energy. I also think of the proposal for an International Bank for Reconstruction and Development (World Bank) energy affiliate. The oil bill of the developing countries as a whole has increased dramatically; at an estimated net \$50 billion in 1980 for all developing countries, it ate up an estimated 20 per cent of their export earnings from goods and services, compared to 12 per cent in 1978 — an increase of 66 per cent in two years. To take two individual cases: Turkey spent an estimated 83 per cent of its 1980 export earnings from goods and services on oil imports and India 78 per cent of goods' exports earnings to pay its \$7 billion 1980 estimated oil-import bill. The World Bank has calculated that by 1990, the proposed energy affiliate could have the effect of shaving the projected oil-import bill by U.S. \$25-\$30 billion in 1980 dollar terms — money that could go to economic development including needed imports from industrialized countries.

Food requirements are another major problem today at a time when grain supplies are once again getting tight and prices are rising, to the benefit of producers but to the

Energy
assistance

Food crisis