

must, I believe, keep these foremost in our minds when addressing the issues before us. We must begin to deal more with the future.

Mr. Chairman, the issues of concern to the developing countries are both numerous and complex with many interlinkages. I wish to highlight the major areas and, within each, some key questions for Canada, which I hope your final report will also focus upon. Aid certainly is crucial but I must emphasize that aid is no longer, if it ever was, the only answer. The areas of energy, money and finance, trade and commodities, food and agriculture, and technology are no less important – although structurally perhaps more difficult to grapple with.

Energy
I think there is general agreement, endorsed by the Venice Summit, that the question of increased assistance for energy development in developing countries must be tackled. Canada must examine what further contribution it can make bilaterally and multilaterally to achieve this objective. As you know, it was announced yesterday that Petro-Canada will soon be establishing a subsidiary company for the purpose of exploration in developing countries. Another central issue is how to deal with the issue of predictability of oil price and production levels, the protection of the value of financial assets obtained for oil, and the staggering effects of the current price of oil on the development plans of the developing countries.

Money and finance
Whereas some years ago commodities were the focus of concern, today money and finance have priority. Recommendation three of your Interim Report has highlighted the problem of the recycling of oil revenue surpluses and I look forward to your further views on how to pursue this objective. Clearly the international financial community is alert to this issue and I welcome the efforts of the IMF and World Bank in this regard. Quite clearly, however, a greater and more concerted effort is required to deal with a problem of this magnitude. Canada must examine what position it should take with respect to developing-country demands for an increased role in the IMF decision-making process, for increased access to financing on more concessional terms, and for a more sympathetic approach to conditionality, including one which takes into greater account the impact of external forces on their economies. Can we support the proposed increases in the Bank's capital base and/or changes in the gearing ratio? Should we contribute more to subsidizing the interest rates on loans to developing countries? Finally, in making our response, how can we ensure that whatever new measures are adopted will not impede the international financial institutions' ability to perform effectively those monetary functions which remain vital to international economic discipline and stability?

Trade
Probably the key concern to developing countries in this area is their fear of increasing protectionism. In their view this is inherently linked to the question of structural adjustment in developed countries. It is true that, if they are to improve their export prospects and their balance-of-payments situation – and in turn their capacity to import – access to markets in the developed countries is vital. In my mind, therefore, while I recognize the political sensitivity of this area – particularly in domestic terms – and the real economic constraints which exist, we must face this issue squarely and examine what measures can realistically be taken. One area may be with respect to our General Preferential Tariff. I look forward to the Task Force's recommendations in this area.