

World poverty increasing

Yet, for too many of the world's poorest peoples, diminishing hope has turned into despair. The number of the absolute poor, those hundreds of millions who lack the most basic essentials of life, is not declining, but increasing. Without larger infusions of assistance from outside their borders, the world's poorest countries cannot hope to overcome the poverty of their people within the foreseeable future.

Within the growing group of middle-income developing countries, possessed of resource wealth and industrial capacity, we have seen impressive proof in recent decades that, given the chance, they can achieve higher levels of productivity and growth. For too many oil-importing developing countries, however, the encouragement of visible progress has been replaced by the shock of crushing deficits.

The industrialized North has emerged from a period of unprecedented growth into a period of unprecedented economic uncertainty. Slow growth, high inflation and interest rates, and high unemployment have proven impervious to traditional economic instruments. The rising cost of energy, and the massive capital cost of developing unconventional energy sources, have imposed fundamental reallocations of national wealth. Less is available for needed social spending, for example. The result in many countries is an increased level of inequity, and consequently of social tensions.

In both North and South, economic and social instability is the enemy of freedom, especially the freedom to determine our own future, to fulfil our own dreams, whether as individuals or as nations.

Need for co-operation

In both North and South, there is a craving for national and international stability. We are learning, however, that our craving will not be satisfied unless we achieve a much higher level of international co-operation, a much higher level of co-ordination of our economic policies, and unless together we can improve the global framework within which we conduct our economic relations.

Because such adjustments are so obviously in our mutual interest, I am confident that they are possible. Some may be painful. All should be gradual. But they will come about only if we can muster the political will to do the job. There is some encouraging evidence that this political will is strengthening. There were real signs of movement, for example, at last month's Economic Summit in Canada.

You will recall that at the Venice Summit last year, my colleagues and I agreed that this year in Ottawa, we would give a high priority to North-South issues. We did just that. As this year's Summit chairman, I travelled extensively to countries in both the North and South in the months before our Ottawa meeting, to obtain the views of their leaders on areas of possible progress in the dialogue.

Readiness to respond to Third World

I am pleased to report that the Summit participants in Ottawa demonstrated a readiness to respond more effectively to the needs of Third World countries. We made clear our willingness to join in a process of closer co-operation with developing countries, not just for their benefit, but for our own as well.

We stated our willingness to participate in preparations for a mutually acceptable pro-