

growing interdependence. Because the challenge is so great, the diversity of interests so complex and the quantum of problems that can be resolved limited at any given time, we are bound to experience some frustrations and disappointments. But let us make no mistake, the process of North-South, the means through which it will progress and its ultimate objectives, will have a profound bearing on world economic management in the years to come. It is important to understand this as we work to launch the Global Negotiations and begin to implement the international development strategy. We shall have to define the relationship between the Global Negotiations and the institutions which have served us in the management of the world economy in a way that will enhance our collective ability to further the legitimate interests of both North and South.

Shape of  
dialogue and  
financial  
aspects

It is a dilemma which leads me to pose the following questions about the emerging shape of the North-South dialogue:

Will the dialogue be conducted in such a way as to provide positive encouragement for greater effort and innovation on the part of governments and of specialized agencies? Or will the process turn off governments and publics in our country as well?

Can North-South discussions give credit for what is achieved piecemeal and gradually, nationally and in multilateral institutions, while still providing pressure – and guidance – for more fundamental change?

Will the discussions make it easier or more difficult to achieve more rapid economic growth and a slowing of inflation which will be of benefit to all our countries? Or will they lead to actions which will turn negotiations on international economic issues into "zero sum games", in which the gains of one group become the losses of another.

Perhaps a number of examples which are of particular interest to me will help explain how concerned I am that the new phase of the dialogue should have a positive effect. The examples are, first, the use of targets for Official Development Assistance (ODA), secondly, the role and evolution of the International Monetary Fund and the international monetary system, and thirdly, the ways in which bilateral donors and international financial institutions can help the developing countries deal with structural problems, particularly in the energy field.

First, the use of targets for development finance. This was one of the key issues at the recent UN Special Session in New York. Many developed countries committed themselves to making more rapid progress towards the longstanding ODA target of 0.7 per cent of gross national product. Canada, for its part, announced that it was reversing the trend of recent years in which its ODA was declining as a per cent of GNP. We committed ourselves to having our ODA level reach 0.5 per cent of GNP by 1985 and to use our best efforts to reach 0.7 per cent by the end of the decade. Increasing our development assistance has been a matter high on the government's agenda since it took office in March. Certainly it has been on my agenda since I became Minister of Finance; I then felt I had a chance to do something about it. However, it is fair to say that the prospect of the Special Session in September concentrated our minds wonderfully on this question. This was an obvious example of the dialogue working