

economies — through their effect on the price of fuel for tractors and irrigation pumps, and by pushing up the cost of fertilizers.

In sum, energy-related problems threaten to bring widespread human suffering in many countries, to worsen the economic plight of the poorest countries, and to dampen the economic prospects of those countries where economic progress was being achieved. It is quite evident that a greater effort will be needed in resolving the problems of these countries. This will involve greatly improved co-operation among developed countries, oil-exporting developing countries, and oil-importing developing countries.

The present effort by industrialized countries to reduce their own energy consumption can result in more energy being available for developing countries, and possibly in a reduction of the rate of energy cost increases. In addition, several of the members of the Organization of Petroleum Exporting Countries (OPEC) have established development assistance programs, and some exporters are making oil available to importing developing countries on concessional terms. One example of this is a joint action taken by Mexico and Venezuela to provide oil at concessional rates to Central America and Caribbean countries.

**New formula
needed**

But these initiatives, laudable as they are, are unlikely to be adequate in resolving the problems of oil-importing Third World countries, and some more co-ordinated, collaborative formula will have to be found. The suggestion put forward by an OPEC committee last year that industrialized countries and members of OPEC should join together to establish an organization which could assist in energy development in developing countries reflects the growing awareness of the need for new types of international co-operation. Other approaches could also be considered and, in fact, some are now being explored. For example, the World Bank took an important step in January 1979, when it decided to expand its energy development program, and for the first time provided for financing by the World Bank of petroleum exploration in developing countries. It is at present planned to spend \$13 billion on energy development between now and 1985, of which \$4 billion will be invested in petroleum exploration and development.

In another initiative, the Venice Summit last year raised the possibility of creating an energy affiliate of the World Bank. Canada supports the creation of such an affiliate, since it could greatly facilitate the expansion of the Bank's energy development program, particularly if the governing mechanism were structured in a way which would take account of the extent of participation by members in the program activities of the affiliate. In fact, Prime Minister Trudeau recently discussed the possibility of a new affiliate with the leaders of several developing countries, including oil-exporting developing countries, and intends to pursue it at future opportunities, including this year's Economic Summit in Ottawa.

In addition, the United Nations Conference on New and Renewable Sources of Energy will take place in Nairobi next August. We are honoured to have with us today Mr. Enrique Iglesias, who is Secretary-General for this conference. The Deputy Secretary-General is a Canadian — Mr. Morris Miller. We have indicated our support