

In part, the wisdom of our choices depends on a realistic assessment of the factors that determine what governments can do. Public support for domestic and foreign policies that promote the development process is essential. This is particularly so in industrial countries during periods of economic difficulty. Proposals that would restructure industrial production or trade patterns may more easily be endorsed if benefits to producer and consumer can be portrayed clearly. Decisions affecting investment in developing areas, or industrial adjustments, require active collaboration of decision-makers in both the private and public sectors. Many proposals affecting the interests of developing countries involve decisions taken on the basis of commercial criteria, where the role of government is limited to establishing appropriate conditions within which private businesses can operate.

The objectives of Canadian policy are to promote more rapid economic growth in those countries that need it, to encourage broadly-based participation in the development process, and to contribute to an orderly evolution of the economic system through a variety of policy instruments. Only programs that are practical and efficient will serve effectively the interests of both developing and developed countries.

In our view, the most important choice is to identify areas where developed and developing countries share common interests and then to promote those changes that will produce global benefits. We continue to believe that an open and dynamic system provides the most promising environment for economic growth and social progress.

Canada believes this conference will be particularly significant in setting the atmosphere for international co-operation in the 1980s, in deciding whether as a community of nations we can continue to work together in harmony or [must] fly apart in acrimony and intolerance. Canada will do its full share to set a constructive tone. We look forward positively to the United Nations special session on development and the elaboration of an effective new international-development strategy.

Satisfactory evolution of international economic relations depends perhaps as much on the manner in which we choose to approach these problems as it does on the issues themselves. We have been concerned about some of the rigidities of the group system that can conceal areas of flexibility and encourage an adversary approach. For this conference, let me propose two new groups. In one group let us place all our problems. In the other group let us place all the members of UNCTAD, united in our confrontation with the first group. Let us also be realistic about the complexity as well as the urgency of the problems we confront. They are not easily solved. Nations and peoples are impatient, and we cannot slacken our efforts. But we need long-term dedication and continuity of effort. Canada believes that economic progress is most commonly achieved by incremental processes of adaptation and accommodation. Our work will be more effective if it promotes gradual and evolutionary change.

Canada is committed to strengthening and improving the capacity of all countries to participate effectively in the international economy. Our substantial development-assistance expenditure of over \$1 billion annually is oriented primarily to the poorer countries. For the least-developed countries, it is provided entirely on a grant basis.
