
their assets. The Group of 77, given the diverse interests of its members, is – again unsurprisingly – demanding an agenda that is as comprehensive as possible. I believe that both sides, and certainly Canada, are aware that a compromise will be required and that both sides are ready to make the necessary efforts to reach one.

While the outcome of the negotiations in New York is by no means certain, I am hopeful that all parties will be prepared to negotiate positively and flexibly so that it will be possible to reach sufficient agreement on the procedural framework and the agenda to allow the Global Negotiations to be successfully launched in the new year. A further failure would represent a serious blow to the North-South dialogue. Bearing in mind the first recommendation of your own Interim Report, the Canadian delegation will again be instructed to participate actively and constructively in the negotiations, as it did at the Special Session, to further this end.

Despite the difficulties outlined above, I still believe that for the foreseeable future, the main public forum in the North-South negotiating process will be the United Nations, and the Global Negotiations in particular. This is because of the Group of 77's determination to work within a more universal and politically-sensitive forum, where their decision-making influence is greater and where linkage between issues is more possible. Thus, in spite of the frustrations and delays associated with a fully universal process, we shall all have to live with it, and to adapt to it. And this is not to suggest that the UN forum is unproductive. A long list of practical agreements, including the Common Fund, have been successfully negotiated in past months, notably in UNCTAD (the United Nations Conference on Trade and Development). Similarly in the specialized fora of the United Nations system, such as the World Bank, the IMF [International Monetary Fund], and the GATT [General Agreement on Tariffs and Trade], we believe that progress has been made on specific problems in a pragmatic way. The developing countries, nevertheless, see these institutions as not sufficiently responsive. Future initiatives within these fora must therefore address their perceived needs at the same time as we attempt to convince them that they too have a stake in the system. Thus, if we are to make progress in the dialogue, we shall have to utilize all the various institutional mechanisms, including such associations as the Commonwealth and such instruments as mini-summits, in the most flexible manner possible.

Even given such flexibility, the process of the dialogue will never be easy. The Group of 77 now comprises 118 very heterogeneous countries with different levels of development, different problems and different aims. In view of this, it is hardly surprising that the Group encounters extreme difficulty in reconciling the very divergent interests of its members. Thus, it is often forced to fall back on to rigid positions and the use of rhetoric and politicization to cover its own difficulties in reaching agreement; hence also the Group's tendency to focus on institutional demands for greater international power-sharing – an area where common interests are clearer than on specific substantive issues. But the group approach does serve the 77's purposes. It provides the developing countries with real bargaining leverage and is probably a genuinely necessary organizational instrument for negotiations. Thus, we should accept that unity of the Group of 77, while suffering strains particularly over energy, is likely to be maintained. At the same time, for Western countries, more effective consulta-

Group of 77's
difficulties