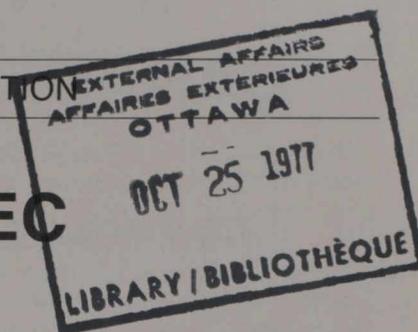
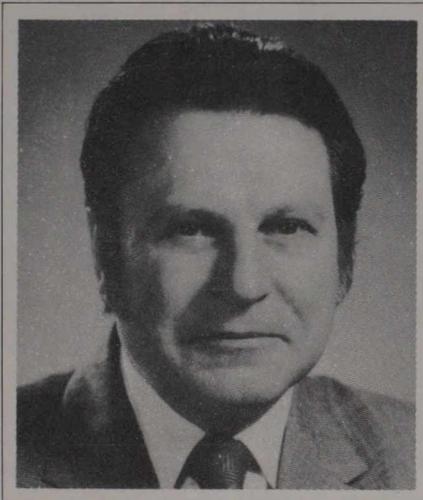


CANADA AND THE CIEC AN ASSESSMENT



On June 2, 1977, the Conference on International Economic Cooperation drew to a close marking the end of this particular forum for discussing greater international economic cooperation but by no means bringing to a close the dialogue on how to establish a new economic order. Participating in the Conference, which was established following the Seventh Special Session of the U.N. General Assembly in 1975, were 27 nations representing the industrialized countries, the oil exporting developing states and the oil importing developing states which, combined, made up one-half of the world's population and three quarters of its economic production. Originating out of the need to find a formula for a producer-consumer dialogue on energy after the oil price increases of 1973 and 1974, the Conference undertook to discuss the broad topics of energy, natural resources, financial affairs and development assistance.

With states drawn from three broad economic situations participating in the Conference, it was natural that objectives would differ as to the outcome to be achieved. The industrialized countries (a group of eight countries, referred to as the "G-8") sought the control of factors such as commodity and oil prices which affect inflation, the assured availability of energy and raw materials and the security of international investment. Amongst the Group of 19 developing countries (known as the "G-19") there was a shared objective to improve the terms of trade in their favour. In addition, the seven oil exporting countries were anxious to preserve the purchasing power of their oil revenue in terms of the prices of manufactured imports, while the twelve oil importing countries of the Group of 19 were anxious to protect and improve the purchasing power of their earnings from commodity exports. The Group of 19 furthermore sought to alleviate the burden of foreign debt repayments and to raise



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the level of foreign aid. With such complex and often conflicting objectives, it is little wonder that the work of the Conference was extended a further six months from the originally planned duration of one year.

ACTIVE ROLE

Canada, as a member of the Group of 8, played a particularly active role in the progress of the Conference. As co-chairman to the Conference in the person of Allan J. MacEachen, President of the Canadian Privy Council, Canada was continually in the forefront in the attempt to put the between developing and industrial states on a firmer footing by trying to bring together G-8 and G-19 consensus positions. At the same time as one of the industrialized nations, Canada had her own interests to meet. Those interests lay in the areas of energy and its relation to the world economic environment and in the political consequences of success or failure of the Conference for broader North-South relations, that is, between the industrialized and developing countries. In energy, Canada has a growing need for secure sources of oil and an interest in achieving a smooth transition from present energy sources to alternative sources. Canada also has a fundamental interest as a major exporting country in preserving favourable political conditions for international economic cooperation,

conditions which are affected by the degree of cooperation of the developing countries. It is also in Canada's interest that there be orderly progress in dealing with global economic problems in areas such as commodities, trade, finance and development assistance. With such important issues at stake, Canada's pledge to take on the task of shaping a new economic order to reduce the gap between the wealth of the few and the needs of the many was a commitment of great significance.

While much publicity was given at the end of the Conference to the disappointments which were expressed about the outcome, it would be erroneous to suggest that the Conference was a failure. To be sure there were disappointments on all sides. Developing countries were disappointed that some of their proposals for a structural reform of the international economic system were not met. The industrialized countries were disappointed at the failure of OPEC members to agree on an arrangement for continuing consultation in the energy field. Canada particularly regretted this failure since it wholeheartedly supported the concept of a continuing energy dialogue after CIEC as one which would benefit the entire world economic community. The results of the Conference have been described by some as a "qualified success" and by the more pessimistic as a "qualified failure". Rather than speaking in terms of success or failure, one must look at the conference in terms of its contribution to what necessarily must be a long term international discourse and constantly reviewed plan of action to be implemented by many international bodies. All sides agreed that the Conference contributed to a clearer understanding of the international economic situation and that its intensive discussions were useful to all participants. That in itself was useful, but the Conference did result in concrete recommendations which will lead to specific action.

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