

### *North-South Relations*

The challenge, as I see it, is to build the political will necessary to promote advances in energy, agriculture, technology and communications throughout the developing countries while protecting the ecology, culture, religion and family structure inherited from the past. In all of this, new thinking is required to turn mutual interests into creative partnerships. Barbara Ward spent her life trying to infuse this new thinking into political leaders. I would test Canadian policy coming out of the North-South Task Force Report against the five principles that follow.

First, international food security through increased food production, increased food reserves, and the ability to respond effectively to emergency situations.

Second, international energy security, highlighting conservation, investment in energy development, particularly in the developing countries, and stabilization of prices.

Third, economic stability to address the deficits of the oil-importing countries, ensure smooth recycling of oil surpluses and to correct current imbalances.

Fourth, self reliance through trade. Freer trade would encourage industrial and agricultural development in the developing countries, but adequate adjustment measures for certain sectors in the industrialized countries must be worked out.

Fifth reduction of the disparity between arms spending and development spending.

We do not need to cry out in frustration about what to do. The international development strategy for the 1980s, adopted by the United Nations, conceives of development as an integral process and has accorded the objectives of social and human development a major new emphasis. Even the World Bank is now using this line of argument.

Arguing whether our motivation should be humanitarian or self-interest is a waste of time. Both concepts are valid and they are intermingled in the North-South dialogue. It ought to be clear by now that the evolution of developing countries, some of which are industrializing rapidly, has important implications for the future of the Canadian economy. Although there is still much human suffering in the developing countries, the continuing image of the Third World as poverty-stricken has obscured the dramatic economic improvements that have occurred in the middle-income countries. The "Harvard Business Review" recently reported that 34 of the 500 largest international companies are now based in developing countries.

So far, Canada's economic links with developing countries are weak. We heard that 11 per cent of Canadian exports go to the Third World, a figure that is still low, compared to that of our main industrial partners, yet more than 37 per cent of U.S. exports go to developing countries, 45 per cent of Japan's and 18 per cent of the European community's.

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The same story applies in the field of investment. We are lagging behind our industrial partners in our relations with

developing countries. We were warned by the Economic Council of Canada as far back as 1978 in a study entitled "For a Common Future: A Study of Canada's Relations With the Developing Countries" that the mere fact many foreign corporations were investing in the developing world made it likely Canada would suffer a loss of markets and, consequently, of employment and profits if its firms did not do likewise.

As John F. Bulloch, President of the Canadian Federation of Independent Business, has recommended, the Canadian business community should probe the new opportunities for trade links and joint ventures in the developing countries, especially those that are rapidly industrializing. Without a doubt, more trade links with the developing countries means more jobs for Canada. Canadian exporters will be able to pick up major contracts for infrastructural work in areas such as communications, transportation and resource development. Already 2,500 Canadian businesses both large and small, have won CIDA contracts in the past few years. That is only a beginning.

CIDA's industrial co-operation program encourages Canadian firms, with funding for starter and feasibility studies, to establish or expand operations in developing countries. Recently that program has been expanded, and I support that expansion.

Canada is well placed to assist developing nations with the following: in utilizing computers; in satellite monitoring; in breeding techniques to improve the world's food supply; in adapting microelectronic technology to decentralize production so that new manufacturing techniques can be integrated into rural societies; and in dividing limited resources between tele-communications and transport, enabling villages and small industries to derive more benefits from new developments in communications technology. The future for Canadian business in developing countries is not only imaginative, it is exciting. I believe that we have to do much more in our country to acquaint Canadian businesses, not just the large businesses but the small businesses, to the vast potential involved here. Our business should be stimulated to that end.

For all these reasons, the Progressive Conservative party has adopted a policy on Canada's role in international development.

I shall now put on the record the core of that policy for which our party stands. First, we believe that Canada, in its own and general interest, should respond constructively to the need to reduce trade barriers to the common progress of developing nations. Second, with respect to Canada's aid program, the program should be raised to at least the agreed target level of 0.7 per cent of our GNP by 1990. Third, this program should be concentrated in fewer countries and consideration for aid should be based on greater need. In other words, the greatest opportunity of benefit should go to the people of a country based on effective use of aid tools, proper application of programs in co-operation with government agencies operating in the particular country and political, economic and human rights conditions. Moreover, opportunities for economic benefits to Canada and the need and opportunity for