

CANADIAN MISSION TO THE UNITED NATIONS

CAUTION: ADVANCE TEXT

PRESS RELEASE No. 64

FOR RELEASE ONLY ON DELIVERY

October 7, 1966

CHECK AGAINST DELIVERY

Press Office,
750 Third Avenue,
New York, N. Y. 10017
YUkon 6-5740

ECONOMIC DEVELOPMENT

Text of Statement to be made by the Canadian Representative, Mr. Donald S. Macdonald, M.P., Parliamentary Secretary to the Secretary of State for External Affairs, in the Second Committee on Friday, October 7, 1966.

Mr. Chairman,

On the agenda of this Twenty-first Session of the General Assembly there are no items more important than those concerned with the various facets of the complex problem of economic development. They rank first in importance because they are uppermost among the preoccupations of the majority of United Nations members as they struggle to realize their individual national goals. They also rank first in importance because problems of economic development and measures which are taken in response to them are of such paramount significance for relations between all states today. The collective action which the community of nations takes to meet the challenge of under-development will determine whether we achieve lasting peace, stability and prosperity-- in short, the kind of world to which this Organization is dedicated.

Over the past year, prolonged, thorough and useful discussions have been held upon major problems of development in a series of important international meetings. Their point of departure has been the growing body of disquieting evidence that we are seriously behind schedule in our efforts to attain the objectives we set for the Development Decade. I would not wish to speak here of shattered illusions, but the only realistic basis for our discussions in this Committee must be the recognition that, if the goals of the Decade are not to elude our reach, nations of this world-- and here I quote from what the Canadian Minister of Foreign Affairs said on this subject in the General Debate of this Assembly a fortnight ago. "The nations of this world are going to have to make common cause and sacrifice on a scale that is only beginning to be appreciated and up to now certainly has not generally been accepted."

[Faint, illegible text, possibly bleed-through from the reverse side of the page]

We are all too familiar with the facts of the current situation which justifies that appraisal of what the future demands: the insufficient flow of resources in relation to needs, the problem of debt-servicing, and the difficulties in expanding and diversifying the exports of developing countries in world markets. These, Mr. Chairman, are the somber realities before us.

At the same time, I am heartened by the progress which has been achieved through the international discussion of these issues towards a better understanding of the basic ingredients of the development process. In particular, I believe we are now in a position to appreciate more accurately than earlier the fundamental nature of the problems facing developing countries which must be overcome. We can also appreciate better the wide range of fields in which national and international co-operative efforts are required if developing countries are to move forward into a phase of dynamic and self-sustaining expansion. This deeper and more comprehensive insight into the complexities involved in development will greatly assist this Committee in making its contribution to charting our common course for the future.

To sum up in a phrase what I believe to be the lesson of our efforts to date, I would say that the international community has grasped more clearly than ever before that development is a co-operative endeavour. Translated to the aid field this means that donor countries must make greater and more determined efforts to expand the volume and improve the terms of assistance they extend. But it also means that recipient countries must do more to ensure that those limited human and financial resources are used with maximum effectiveness. At the recent fourth session of the Trade and Development Board, considerable attention was devoted to this latter question, especially to problems confronting less developed economies in seeking to deal with consequences of the introduction of modern technology. Dr. Prebisch, in a very cogent speech to the Board, underlined the fact that effective assimilation of technological know-how may in many instances require quite drastic measures of economic and social reform. The obstacle which obsolete systems of land tenure present for utilization of modern techniques in increasing agricultural productivity provides one example of an area where action by developing countries may be an essential key to progress.

Similarly, in the trade field--and this again came out very clearly during the last session of the Trade and Development Board--we are struck by the need for concerted efforts by both groups of countries, developed and developing. It is clear that in this field we now realize that

... ..
... ..
... ..
... ..
... ..

... ..
... ..
... ..
... ..
... ..

... ..
... ..
... ..
... ..
... ..

... ..
... ..
... ..
... ..
... ..

... ..
... ..
... ..
... ..
... ..

... ..
... ..
... ..
... ..
... ..

... ..
... ..
... ..
... ..
... ..

there are no quick and easy answers, no short cuts to rapid and dramatic results. There is a lot which can and must be done. From industrialized nations there should come initiatives designed to enhance the capacity of developing countries to take full advantage of expanding world trade so as to increase their export earnings. In the opinion of my delegation, there is range of possibilities here. These include, notably, improved access for exports of developing countries, particularly for manufactured and semi-manufactured goods; supplementary financing to help cope with the problems which unexpected fluctuations in export earnings pose for development programmes; measures to provide more stable markets for primary commodities at remunerative levels--we look forward especially to the early conclusion of international agreements on cocoa and sugar. Finally, and this is very important in our view, there is the vital part technical assistance can play in improving the position of developing countries in building their trade in manufactures and accelerating the process of industrialization. I shall return in a moment to this last field of action which appears to us a particularly promising means of supporting efforts of developing countries to establish and expand their export industries. But as industrial nations seek new ways to assist other countries to sell more abroad, vigorous complementary actions must be taken by the developing countries themselves. I have already touched on the necessity for structural reforms in the agricultural sector. In addition to such domestic reforms in developing countries, there is a very definite need for vigorous action by those countries to provide a wider base for their industrialization through regional and inter-regional co-operation with the object of increasing trade among themselves.

As a last point before leaving this cursory general review of the current situation and the principles which should guide our future endeavours, I should like to re-emphasize the role of coordination. Obviously the effective international machinery is central in synchronizing and stimulating our efforts. Accordingly, we were gratified by the decisions of the last session of ECOSOC to improve its ability to co-ordinate the work of many of the members of the United Nations family. In the aid field, there is scope for even closer coordination in programming between donor and recipient countries. In the trade sector, we believe that UNCTAD is maturing as an effective instrument and we look forward to the second conference as an opportunity for concrete progress in the selection of important areas which have engaged the attention of Committees and the Trade Board since the first Conference. While it is probably too soon to speak with confidence of precise fields where meaningful advances can be registered at the Second Conference, debates in this Committee can help to form the

necessary consensus regarding the greatest chances for positive achievement at the second Conference.

Mr. Chairman, I wish now to return to a few of the specific topics before this Committee in which my delegation has a very special interest. I have already emphasized the urgent need for an immediate renewal of the upward thrust in flow of development assistance and for action to improve terms on which donor countries provide this assistance. In the General Debate in Plenary, the Secretary of State for External Affairs of Canada reviewed what Canada is now doing to give effect to that conviction. He recalled that over the last three years the total aid resources we have made available have increased at an average annual rate of \$50 million and pledged us to do our utmost to continue this expansion in order to achieve the one per cent target. Canada's Foreign Minister also mentioned steps which we have taken to provide for the closest consultation with recipient countries in aid planning, to diversify our assistance and to supplement our technical assistance and grant aid with soft loans, and to improve the terms on which those loans are made. In addition to our continuing efforts to expand and make more effective our bilateral aid programmes, Canada firmly supports the expansion of the resources available to soundly-conceived multilateral programmes. It therefore gave me special pleasure to be able to announce yesterday, subject to Parliamentary approval, an increase in our contribution to the United Nations Development Programme to the level of ten million United States dollars. The UNDP is playing an increasingly crucial role in the coordination and effective implementation of assistance activities in the United Nations family. It is our earnest hope that contributions by other members will permit early achievement of the \$200 million target of the UNDP set at the last session of the General Assembly. If, as we trust, the resources for capital investment through other agencies are to be increased in the near future, the need for more technical and pre-investment assistance through the UNDP is especially pressing.

for
Canada welcomed as an important step/the promotion of multilateral co-operation on a regional basis the entry into force last month of the agreement establishing the Asian Development Bank. Canada's subscription to this important new institution amounts to \$25 million. Another multilateral instrument to which my country attaches great importance is the International Development Association. Canada will be prepared to join with others in responding sympathetically to the current requirement for replenishing IDA resources at a higher level.

The second specific subject on the Committee's agenda which I would like to emphasize is the food problem.

1941

1942

1943

1944

1945

1946

1947

1948

1949

1950

1951

1952

1953

1954

1955

1956

1957

1958

1959

1960

1961

1962

1963

1964

1965

1966

1967

1968

1969

1970

1971

1972

1973

1974

1975

1976

1977

1978

1979

1980

1981

1982

1983

1984

1985

1986

1987

1988

1989

1990

1991

1992

1993

1994

1995

1996

1997

1998

1999

2000

2001

2002

2003

2004

2005

2006

2007

2008

2009

2010

2011

2012

2013

2014

2015

2016

2017

2018

2019

2020

2021

2022

2023

2024

2025

Recent studies have cast in stark relief the gravity of the world food situation and have brought home the need for imaginative and vigorous efforts on the part of both developed and developing countries in order to avert the calamity of the prospective food gap.

Canada, as a major producer and exporter of foodstuffs, has a vital interest both in the future world demand for and supply of food, as well as in implications of the food situation for the economic progress and well-being of developing countries. I have already mentioned the burden which developing countries must shoulder in implementing certain fundamental changes in their economies necessary for expanding agricultural productivity. Developed countries must exert new efforts to assist this process both on the bilateral and multilateral plane. Technical assistance is one of the most important ways in which donor countries can help. My country will give the highest priority to requests for assistance which we are competent to provide in the fields of agriculture and fisheries. In addition to increasing and improving our technical assistance, we shall seek to increase what we are doing by way of assistance in other forms such as the supply of fertilizers, pesticides, and farm implements.

But besides technical assistance and development aid to increase productivity through irrigation and drainage projects--to mention only one example--we anticipate a continuing need for the provision of food supplies on an interim basis. Here the World Food Programme--to which incidentally Canadian contributions have quadrupled during the past three years --has a central role to play. As far as Canada is concerned, we regard food aid not only as humanitarian relief for the hungry but also as an integral part of our regular development assistance. For example, by responding as we did this year with a million tons of foodstuffs to meet the emergency situation in India, we freed foreign exchange resources for purposes more directly related to essential economic demands. In this connection, I might mention that it is Canada's intention to continue to extend food aid in the form of grants rather than loans so as not to impose further strains on the debt-servicing capacity of developing countries.

The third and last topic I intend to single out for special mention is our joint endeavours to expand the share of world trade in manufactured and semi-manufactured products of the developing countries. There is no need to belabour in this Committee the importance of the relationship between industrialization and economic development. I have already touched on the vital contribution

[Faint, illegible text covering the majority of the page, possibly bleed-through from the reverse side.]



which technical assistance can make in a wide range of fields. At the last session of the Trade and Development Board it was recognized that in the future increased attention should be given to assistance directed to trade promotion activities. We now have better machinery to enable us to assess what needs to be done and to channel our efforts effectively. I have stressed our belief in the importance of measures of co-operation and integration by developing countries to provide a wider base for their industrial development. For the available techniques and resources to achieve their maximum impact, much depends on the success of such measures.

the the
We welcome/imminent establishment of/new and important member of the United Nations family, the United Nations Organization for Industrial Development. We have studied the draft statute of UNOID with great care. We agree with those who have emphasized that sustained industrial advance is a crucial ingredient in the world-wide effort to attain those economic and social levels of prosperity and stability to which all are entitled. Canada will therefore join with other members of the United Nations in endeavouring to make UNOID a creative and effective force.

a
The draft legislation of UNOID is/comprehensive blueprint which determines to a large extent the character which the new Organization will adopt. But some teething troubles, some uncertainties are inevitable, particularly in an area which is so broad as to defy easy definition. We therefore believe it vital that, in considering the structure and functions of UNOID, particular attention should be directed to smoothing the path the new Organization must follow. At this stage, one of the most important things we can do is to concentrate on those methods through which UNOID can be rapidly and effectively integrated within the United Nations system. It can then draw upon the experience and expertise of other United Nations bodies involved in industrial development activities and can, in turn, give a striking new dimension to the work already under way. A good deal of **thought** should be given to the best means of developing full co-operation at the working level between UNOID and other bodies within the United Nations family. Mutually advantageous cooperation among them should be the key element in contributing to the effective functioning of UNOID as it begins its operations. Canada looks forward to working with other member states



page 7

to ensure the success of UNOID, both at the outset and during the years to come.

In conclusion, Mr. Chairman, may I express the confidence of my delegation that the outcome of this Committee's work will mark a significant step forward in charting a course towards those goals which we are collectively committed to achieve.

Thank you, Mr. Chairman.

