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NOTES FOR AN ADDRESS BY
THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
DR. MARK MACGUIGAN,
TO THE ROYAL COMMONWEALTH
SOCIETY,
TORONTO, OCTOBER 9, 1980

"THE COMMONWEALTH AND
GLOBAL DEVELOPMENT"

Tonight I will speak to you briefly about an aspect of Canada's foreign policy which will be assigned a very high priority during the eighties and which makes a direct impact on not only the economic well-being of Canadians, but on a very large proportion of the world's population. This priority is the evolution of a new international economic order - one which takes account of changing realities in the world, and one in which the Commonwealth can and will continue to play a very important role.

At a number of points in the past decade, it has become quite clear that for the vast majority of the world's nations, the economic status quo is no longer acceptable. The quest of developing nations for a more just share of the world's resources is supported by the recommendations of a number of reports, notably those prepared by Commonwealth experts and, earlier this year, the report of an independent commission chaired by Willi Brandt.

The need for the so-called North-South dialogue is mirrored in the present nature of the Commonwealth itself, which embraces a full range of the economic conditions in which the world's people live and which reflects, on a smaller scale, the global gap between developed and developing countries. Members of the Commonwealth comprise 25 per cent of the world's population and 45 per cent of the population of the developing world. Of the 800 million of the world's poorest people (excluding the Socialist countries), some 80 per cent live in Commonwealth countries. Of the 31 least developed countries, eight are members of the Commonwealth. Of the 43 countries most urgently in need of food, 11 are in the Commonwealth. The Commonwealth is, therefore, a microcosm of the world's problems and aspirations.

Given the global nature of the imbalances in access to the world's resources, it has become quite evident that global solutions will have to be found in the long run. This will require a degree of change unparalleled in modern history, and will involve the restructuring of many of the institutions we have traditionally used to transfer resources. A brief list of the challenges that must be taken up would include the following.

First, there is the plight of almost a billion people - the world's poorest who live on the borderline of human existence. For them, priority must go to providing the most fundamental of human requirements: food, shelter, health care, sanitation, clean water, education - things which all humans have a right to expect.

For other countries struggling with the complexities of economic development, there are a host of changes necessary if they are to begin to achieve even their most modest goals. For example, more rationality and order must prevail in the field of commodities and raw materials if the developing nations are to be able to predict and plan for their future. This is a complex problem, and solutions will depend on more assured access to finance, to technology and to markets. Each of these needs is itself surrounded by certain difficulties and there is not always agreement about the solutions.

We know, for example, that over the past five years the gap in access to finances has widened - particularly for those developing countries which must import the oil they need for industrial development. It is now quite evident that we have to adapt the international lending institutions to alleviate the impact of these structural difficulties.

We also know that more imaginative approaches to the sharing of technology are essential - approaches based on bilateral, trilateral or regional cooperation.

Access to markets is absolutely essential to developing countries. In part, this can be achieved through multilateral trade negotiations. But equally essential is the access they have to markets in developed countries - an objective that is frustrated by protectionist measures in the latter countries.

Food security is another pressing issue. If we cannot reach agreement on ways of increasing food productivity in developing countries within the next decade, their combined food deficit will have increased by as much as four times.

The level of expenditures on armaments is not only a threat to world security. It cuts heavily into the resources that could be made available for development. This year we will spend about \$450 billion on armaments, and only about \$30 billion on development assistance.

Against this background, what might be the rôle of the Commonwealth - not as a collectivity of nations, but as an institution having a demonstrated capacity to effect change and, on occasion, to play a key rôle in making vital political change possible? Nowhere has this been more amply demonstrated than in resolving the difficulties in Zimbabwe, a country whose admission to the United Nations I had an

opportunity to witness at the General Assembly a few weeks ago.

From a number of perspectives, the Commonwealth enjoys many advantages for effecting change in North-South relations, even though it is itself comprised of nations belonging to both developed and developing nations. For one thing, it serves as a bridge between the two groups of nations, by promoting an awareness of mutual Commonwealth interests and interdependencies - and in this it again mirrors the growing interdependent nature of our world.

The Commonwealth also provides a rare opportunity for high-level consultations in an informal, frank and intimate setting, avoiding the rhetorical or adversary character of certain other international fora. More importantly, it need not be dominated by bloc-to-bloc attitudes or strategies - factors which too often result in the rigidity and inflexibility which hamper international resolution of problems.

It can also facilitate the mutual influencing of perceptions and the moderating of extreme positions, thereby generating more balanced and pragmatic approaches to problem resolution.

Its function is best summed up in the words of its Secretary-General in his report for 1979: "The Commonwealth cannot negotiate for the world; but it can help the world to negotiate."

From Canada's perspective as a developed nation, we have a special interest in advancing the North-South dialogue -- a perspective which emerges from our own history. In my recent speech to the Special Session of the General Assembly of the United Nations on this subject, I expressed it this way:

"In many ways, our national history and culture - and our relative youth - have given us a consciousness of many of the realities of both North and South. Nature has blessed us with an abundance of resources that has enabled us to take a place as one of the world's more industrialized nations. But we remain a heavy exporter of natural resources and an importer of capital and technology, and hence we share many of the concerns

of the developing countries about the operation of the international system in these areas. Canadians know that our emergence from colonial status could well have proven to be long and costly had we not had available to us the resources on which to build a stable society for a free and independent people. Today, we feel we owe the same opportunities to those states of the world less well endowed by nature and history, so that they may have access to the resources necessary for their orderly growth and social progress."

Our present policy has evolved in the years since the Second World War. In those early years, Canada provided bilateral development assistance almost exclusively to Commonwealth countries - both to Colombo Plan countries and, later, to the newly independent Commonwealth countries in Africa and the Caribbean. In 1961 we initiated an assistance programme in Francophone Africa. This constituted the first development assistance agreements between Canada and countries outside the Commonwealth. This particular programme has grown in scope over almost two decades until it has reached a point today where our aid to Francophone African countries roughly equals the level of aid we provide to Commonwealth African countries. In 1979, it was approximately \$140 million. Subsequently we have extended our efforts to numerous countries of Latin America and to other nations, such as Indonesia and Egypt - countries which belong to neither the Commonwealth or Francophone groupings.

In more recent years, Commonwealth countries have received a declining proportion of Canadian aid, although the overall level of aid provided has more than offset this. In 1979, Canada provided bilateral development assistance (including food aid) to Commonwealth countries to a total of more than \$236 million - or 36 per cent of all of Canada's official development assistance.

In addition to bilateral assistance, Commonwealth multilateral agencies received some \$10.4 million in 1979. The bulk of this went to the Commonwealth Fund for Technical Cooperation, but amounts were also provided to the Commonwealth Zimbabwe Scholarship Plan, the Commonwealth Legal Advisory Service, the Commonwealth Foundation and the Commonwealth Youth Programme.

Within recent weeks, the Government of Canada has embarked on an effort to increase the funds it will make available for development assistance. As you know, since 1978 the proportion of our gross national product allocated for assistance had declined. That trend has now been reversed, and we have set a goal of .5 per cent of GNP for development assistance by the middle of this decade, rising to .7 by the end of the decade. This, of course, will result in increased benefits to Commonwealth countries.

It is no secret that the provision of higher levels of official assistance to developing countries does not always receive universal acceptance in Canada. As with most developed countries at the present time, we face a number of short-term political and economic difficulties. Too many people have come to view international development as a matter of charity, rather than recognizing the interdependent nature of today's world. Too many of us have ignored the fact that there cannot be real stability and security in a world in which so many nations remain dangerously vulnerable to economic uncertainty and unable to meet the development aspirations of their people. In brief, as I pointed out at the Special Session of the General Assembly in August, we would delude ourselves if we believed we realistically had other options. To attempt to preserve entrenched privilege is by far the costliest approach in anything but the shortest term, compounding our problems for the future and resulting in further insecurity and instability.

The resolution of some of these difficulties lies also with some of the developing countries themselves. It is difficult to generate support in developed countries for increased aid when some developing countries have so far failed to build structures and develop programmes which ensure that there will be more social justice resulting when the time comes to distribute the benefits of international aid.

But in meeting both of these major objectives - gaining more sensitized public support for increased aid and achieving a higher level of social justice in developing countries - the Commonwealth can play a key institutional role, a role that the Heads of Government of Commonwealth countries have recognized for some years. For example, the 1979 meeting of Heads of Government resulted in quite explicit statements about the validity of these goals, as well as the overall goals necessary for a more just economic order. It is particularly interesting that many of the

points of agreement at that meeting paralleled the findings of the Brandt Commission. Some of the key points emerging from the 1979 Commonwealth meeting strike a very familiar echo. For example:

- A recognition that the persistence of mass poverty further highlighted the urgent need for a more rational and equitable economic order.
- The efficient deployment of global resources, providing an equal opportunity for all countries to participate, would require acceptance by all of structural change and the adoption of policies to make such changes possible and to improve prospects for global economic growth, the restraint of inflation and the fuller employment of human and materiel resources.
- The necessity of improving public understanding of the need for change in the countries participating in the interdependent international system.
- The need for developed Commonwealth countries to recognize the importance of increased and stable flows of aid, finance and investment in developing countries.

We could continue much longer with the list. The point is, however, that the emerging awareness in the world for new economic policies and structures which can make more equitable sharing of the world's resources possible has been recognized for some time by the Commonwealth as an institution. Canada, for its part, will continue to use the Commonwealth - with the United Nations' organizations and other appropriate international fora - as an instrument to achieve these goals.

As some of you perhaps know, considerable disappointment has been expressed over the failure of the recent Special Session of the United Nations General Assembly on North-South issues to meet its objectives. I personally, am still hopeful that with ingenuity and genuine goodwill we can still find our way around the differences which prevail.

I have said that Canada will continue to utilize, with other nations hopefully, the United Nations' system. But we will also look to other instrumentalities to achieve consensus on useful approaches. For example, at that Special Session of the United Nations, I announced our government's intention to establish a Futures Secretariat

under the Canadian International Development Agency. Its role will be to initiate and support activities in Canada which will inform our people and sensitize them to the importance of understanding international development issues. This secretariat will receive the major part of its support from the Government, but we hope that it will also be supported by the business community, universities, professional institutions and voluntary associations, whose cooperation is vital to its success.

In addition, we intend to actively support other initiatives in strengthening the North-South Dialogue. The Brandt Commission Report proposed the convening of a mini-summit meeting of developed and developing countries to focus attention on the most pressing issues - an initiative in which we will participate fully. We also intend to work to ensure that North-South issues are given a major priority on the agenda of the next summit meeting of the most industrialized nations - a meeting of heads of government which Canada will host in 1981.

Finally, at the Commonwealth Heads of Government Meeting in Canberra, Australia next year we intend to do all in our power to make it the focus of attention - particularly given the presence of leaders of both developed and developing countries.

In concluding, Mr. Chairman, I hope that we can obtain the understanding and support of all Canadians in the search for solutions to the problems I have touched on tonight. For our part, the Government will continue to utilize the institution of the Commonwealth because we recognize that - as a microcosm of the North and South - it can continue to play a key role in breaking down barriers to international justice and progress. It has succeeded in this in the past and is now in a position to once again accept this important challenge.