



CANADA

**C  
o  
m  
m  
u  
n  
i  
q  
u  
é**

No. 26

FOR IMMEDIATE RELEASE  
APRIL 17, 1972

NOTES FOR A STATEMENT BY  
SENATOR THE HONOURABLE PAUL MARTIN,  
LEADER OF THE GOVERNMENT IN THE SENATE,  
TO THE THIRD UNITED NATIONS CONFERENCE  
ON TRADE AND DEVELOPMENT,  
SANTIAGO, APRIL 17, 1972.

---

DEPARTMENT OF EXTERNAL AFFAIRS  
MINISTÈRE DES AFFAIRES EXTÉRIEURES

Mr. President, since we are still at the initial stage of this Third United Nations Conference on Trade and Development, I would like first of all to congratulate you on your election as President of the Conference. I am happy to have this opportunity to present in my name, and in that of my delegation, our thanks to the Government and to the people of Chile for the arrangements which have made this Conference possible and for the warm welcome which they have extended to us through your good offices.

I am particularly impressed by the Centre where this Conference is taking place. I note that in this Centre architectural beauty and practicality have been united. These buildings have been planned and constructed in a period of only a few months. They have, moreover, been embellished by living examples of Chilean art. They will remain as a symbol of Chile's contribution to international cooperation in the realm of development, and the agreeable atmosphere that they create should greatly contribute to advance the work of this Conference.

This present Conference is the first of its kind to be held in Latin America. We are therefore conscious of the extent to which the efforts of two eminent personalities of this very continent - and I have in mind Dr. Raoul Prebisch, the first Secretary General, and his successor Dr. Perez Guerrero - have given form and meaning to this organization. They have both contributed to make it one of the major international organizations of our time. It is evident that the progress already realized by this organization has been made possible by the efforts of numerous personalities from other parts of the world, but to a great extent it is the direction that these two men gave to it which has assured its success.

Mr. President, success in international conferences and international organizations is difficult to measure. There is a natural tendency to concentrate on the precise and immediate outcome in terms of resolutions or conclusions, and to ignore what may be much more significant in the long run - the impact on attitudes, the changes in men's thinking and understanding, the influence exerted on other bodies, and not least the degree to which general objectives are met over time.

I want for a moment to offer my personal assessment of UNCTAD in these broad terms, having had the honour to be Canada's Ministerial representative at the First United Nations Conference on Trade and Development. I suggest that what UNCTAD has done - in less than a decade - is this. It has established its commitment to the trade and development needs, objectives, and problems of the developing countries in a quite unique way, in a way that other international bodies could not; and it has assumed a secure and recognized place among the international organizations and agencies, with broader or with more specialized interests, which also are concerned with development matters.

Within less than a decade three major changes have taken place which need to be taken into account in assessing UNCTAD.

The first, on the surface, appears to be mainly an organizational change but its underlying importance is much greater. I mentioned that UNCTAD has found its unique role, and we are all aware of the internal strength which it has taken on. But UNCTAD, like other United Nations bodies, is now gearing its activities to the global approach represented by the Second U.N. Development Decade. And within the U.N. system the need to draw together the activities of all organs concerned with the programme of the Second Development Decade has been widely recognized. The Economic and Social Council has been expanded to make it more representative and better equipped to deal with the responsibilities assigned to it by the charter. We welcome this general, and widely supported, move towards improved coordination and cooperation within the U.N. family.

Second, there has been a marked change not only in the organizational approach to development problems, but also in the refinement and understanding of these problems themselves. The agenda for this Conference offers ample evidence of this change: attempts are being made in a number of areas to find individual solutions to particular problems rather than to seek simple and all-inclusive answers. We are, for example, to examine the problems of the least developed and the landlocked developing countries with a view to identifying measures which may offer solutions to their particular difficulties. My delegation believe that one of the answers to the problems of the Least Developed is an increased flow of resources on the softest terms possible. Canada is, indeed, investigating the possibility of earmarking a portion of its multilateral assistance to these countries. It is particular ideas along these lines that the Canadian Delegation would hope to pursue in our subsequent deliberations.

Other agenda items - for example, that relating to environmental questions, which will be examined at the Stockholm Conference this year in greater detail - also reflect this greater awareness and more refined understanding of the problems which we face. It is now a fact that the international community has shown its readiness to go beyond traditional economic considerations in search of appropriate action which would improve living standards and enhance the quality of life in both developed and developing countries.

As we come to realize the diverse nature of development problems, we also come to realize that appropriate responses by developed countries will differ and that common solutions for all developing countries will have less application than before. Concepts of equitable burden-sharing among developed countries on the one hand, and maximal advantage for the developing countries on the other, need equally to be refined.

The third major change in the past decade relevant to UNCTAD's role has been the change in world conditions affecting development. We have come to a time of transition in world economic arrangements. The trade and payments system established over twenty years ago, which has yielded benefits to all in terms of steady economic growth, has been subjected to increasing strains by the evolution of the world economy. On the monetary side, the exchange rate crisis of last autumn demonstrated that certain reforms and adjustments were required. The process of adjusting the economic arrangements made in the late Forties to the realities of today is a continuing one and one which will necessarily take place in a number of bodies. Indeed, Mr. President, I would remark that UNCTAD itself was a product of the Sixties, reflecting the emergence to independence of many new developing countries. That was one measure of adjustment to changing realities.

The process of monetary reform which is now underway in the International Monetary Fund will involve one of the major adjustments in the economic area. Canada supports the full participation of all IMF members, which include many developing countries, in the evolution of a monetary system suited to the present. It recognizes that all those involved in this central monetary body will wish to play a full part and that the interests of all will need to be taken into account.

Other measures of transition or adjustment have been the major rounds of multilateral trade liberalization which have taken place in the GATT during the past decade. In the light of the particularly serious threat to Canada from the disturbance of the international trade scene a few months ago, we regard as of equal or greater importance, the forthcoming round of multilateral trade negotiations. Canada looks forward to a negotiation which will embrace the widest possible range of products and barriers to trade. The non-discriminatory reduction of tariff and non-tariff barriers to trade in agricultural and industrial products will benefit both the developing and developed countries and is in their common long-term interest. I am confident that all those countries interested in freer trade and wider access to world markets will wish to support this liberal initiative and to contribute to its success - in their own interest - through active and constructive participation.

Mr. President, the importance we attach to the strengthening of a liberal trade and payments system through the work being undertaken in the GATT and IMF has a corollary in the area of development assistance. Canada and Canadians recognize that the dynamism of liberal trade and payments arrangements must be supplemented by measures of direct benefit to developing countries to help hasten their growth and expand their participation in world trade. It is in this context that I want briefly to review what Canada believes can be accomplished in the field of development assistance to help developing countries and to outline what we are prepared to do.

One question of prime importance, particularly in the light of the nagging debt problems of a number of developing countries, is the quality of development assistance. Canada believes that increasing amounts of development assistance are needed, on soft terms, if the developing countries are to advance toward a minimally acceptable standard of living within a reasonable period. We recognize that both the quality and the volume of assistance are important. Canada, for its part, has accepted the international targets for total flows and official development assistance. While we have been unable to accept deadlines for their achievement, we see the targets as incentives to developed countries to continue increasing the amount of their development assistance. And we ourselves have made significant advances. Since UNCTAD II, Canadian appropriations for development assistance have increased at an average annual rate of 15% while our GNP has only increased at about half that rate.

Mr. President, there is a related area of concern to Canada. Although flows of concessional aid through major multilateral institutions now amount to about \$1.5 billion a year, it is apparent that developing countries require additional resources on concessional terms. Several proposals have been put forward to increase the transfer of resources to developing countries. It is in this context that Canada would propose that this Conference accept an objective of \$2 billion for concessional financing through the multilateral agencies. We would hope that the funding of these agencies might reach this figure as and when new levels of subscription are agreed upon. This proposed increase in resources would be distributed through such institutions as the IDA, UNDP and the regional development banks. If this one third increase in the programme were accepted internationally, Canada would be prepared to shoulder a proportionate share of the burden.

In the meantime, Canada intends to maintain the high quality of its ODA programme and the liberal conditions under which its aid is provided.

I would recall, first, that the vast majority of our ODA loans are extended at zero interest, a ten year grace period, with a maturity of 50 years.

Secondly, Canada would recommend acceptance of a new DAC terms target requiring a 25% grant element threshold for ODA, and a grant element of 86% on the overall ODA programme.

Thirdly, Canada intends to continue its present policy of a broadly based and flexible approach to untying. At present this enables us to untie about 50% of total ODA. Half of this, or a quarter of our total aid, is channeled through multilateral agencies, and about 5% is utilized to cover shipping charges on aid shipments.

In addition, we intend to continue our practice of untying procurement under our bilateral programme primarily to finance the local costs of projects in recipient countries, but also to permit other developing countries and, in selected cases, other developed countries to participate in supplying the requirements of Canadian-financed projects.

I now come to the Generalized System of Preferences - one of the most important initiatives undertaken in UNCTAD. The evolution of the preference system required the concerted efforts of both developed and developing countries over a period of years. Members of the Conference will be aware that certain difficulties have impeded the implementation of the Canadian scheme. I want to leave no doubt, however, that Canada remains committed to the Generalized System of Preferences and that the Government of Canada plans to introduce legislation and have it implemented at the earliest feasible date.

When I spoke at Geneva eight years ago at the first Conference launched by Dr. Raoul Prebisch, I called it an historic conference. It was unprecedented in the breadth of participation and the nature of its objectives, and I pointed out that the ability of the United Nations to respond to the needs of member countries was once again being tested.

At that time I was able to point to the General Agreement on Tariffs and Trade, the International Monetary Fund and the International Bank as institutions set up to buttress the framework of world trading relationships. Eight years later, no list of significant institutions in the field of international trade and development would be complete that did not include the name of UNCTAD itself. We have passed beyond the realm of wondering whether UNCTAD should be a once and for all conference; we have passed beyond the stage of questioning whether UNCTAD had a useful role to play. We know now that UNCTAD has a role, an important role, and a continuing role. UNCTAD has taken its place as one of the great deliberative bodies of the world; more than that, in the creation and elaboration of commodity agreements, it has a positive negotiating role as well.

At UNCTAD I, I spoke in the strongest affirmative terms of our common global expectations and obligations. At that meeting I said: "... We are faced today with one of the great opportunities of the Twentieth Century. Throughout the world, governments and peoples expect this meeting to make definite progress toward a goal which each nation shares - the greater welfare of its people. We must never lose sight, in the long and complex debate, of the urgency of our responsibilities."

That statement, ladies and gentlemen, is even truer today than it was eight years ago. To the inspirational genius of UNCTAD's great founder has been added the organizational reality that we have today. Our present Secretary General, Dr. Perez-Guerrero, deserves the highest credit for leading the evolution of this organization and enabling it to achieve its present standing and influence. Let us move forward - using the more established organization that we now have - towards the more urgent attainment of our common goal of the greater welfare of mankind that was so creatively and validly held out before us at the historic conference that founded this organization only eight years ago.

The first UNCTAD was a new departure. Canada's presence at this, as at the first Conference, is an earnest of our continuing commitment to cooperation for development. The measures Canada has taken, and those we propose, show that the Government and people of Canada recognize that concern for justice and human dignity cannot be confined within narrow walls or national boundaries but must find expression in a common endeavour involving all peoples and nations.