



Statements and Speeches

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UNCTAD IV -- IMPORTANT STAGE ON ROAD TO NEW ECONOMIC ORDER

A Report to the House of Commons on June 10, 1976, by the Secretary of State for External Affairs, the Honourable Allan J. MacEachen.

In reporting to the House on the results of the UN Conference on Trade and Development, I should like to say at the outset that its immediate results represent a major achievement in the dialogue between developed and developing countries on a new international economic order, and that the longer-term impact of Nairobi will be substantial. Obviously, UNCTAD IV -- like all conferences where countries are required to make compromises in order to ensure agreement -- did not achieve all that Canada or other developed and developing countries might have wished. But it was, without question, a most important step in the efforts to reduce disparities between developed and developing countries that were initiated at the seventh special session of the United Nations.

At that session, I stated that Canada was determined to play a positive role, to use our resources and our influence to help bring about constructive change in the international economic system and thereby to reduce the gap between rich and poor nations. Governments committed themselves at that time to work together to make changes in the international trade and payments system in order to enable it to contribute to more rapid economic development in the developing countries and to permit them to obtain a larger and sustained share in world trade.

UNCTAD IV was the first major UN conference following the seventh special session, and in its disagreements as well as in its accords it reflected these new dimensions. There were efforts to address these questions at a practical level; there were some important new commitments; there was agreement to create a program, timetable and framework for the central issues in which the many essential decisions can be taken.

In my statement to the conference on May 7, I touched on the four areas Canada considered would be the main issues to be dealt with: the problems of stabilization of commodity trade, the alleviation of the debt-servicing difficulties of many developing countries, liberalization of trade to benefit developing countries, and the transfer of technology to developing countries. Of these, the commodities issue proved to be the central focus of the conference. Indeed, the adoption, by consensus, of a resolution that established

an integrated program proposes a list of 18 commodities of particular interest to the developing countries for consideration, describes the international measures to be taken in the context of the program, and establishes procedures and a timetable for pursuing it.

On the important question of a common fund, the resolution provides for a negotiating conference to be held next year and for a series of preparatory meetings. As a major importer and exporter of commodities, we shall be actively involved in these international discussions and shall work with the other participants to resolve the problems of commodity trade which concern developing countries. These discussions and negotiations will provide the appropriate basis for examining the "parameters" of a common fund and for a decision regarding its establishment. As I stated in the House earlier this week, and as stated before that by the President of the Privy Council, if we are satisfied in the course of these commodity meetings and negotiations that the common fund will be effective and useful, Canada will make a contribution to it.

The conference also took an important decision on the subject of the financial problems of developing countries by adopting, again by consensus, a resolution on the debt problems of developing countries. The resolution calls for appropriate international bodies to identify features relating to debt-servicing problems that could provide guidance in the future for dealing with them. In addition, a ministerial session of the UNCTAD Board will be held in 1977 to review this work and a group of experts will be established to assist in this review.

We had hoped that some further steps would be taken on the broader subject of financial transfers, which is of fundamental importance to many developing countries, but this was not possible. We had hoped, for example, that the conference would agree to improve the international standard for official development assistance so that developing countries would receive such assistance on softer terms than they do now. Although this was not agreed on, we shall continue to pursue this objective.

Apart from these two issues of particular importance, the conference also adopted resolutions on trade liberalization, the transfer of technology and a number of other subjects. One remarkable, and encouraging, aspect of the conference was the fact that 12 of the 13 resolutions approved were adopted by consensus. No previous UNCTAD conference has reached such a broad measure of agreement.

Canada supported all of these resolutions, offering explanatory statements on a number of them. We also, together with other

industrialized countries, supported a proposal for further study of the concept put forward by the United States. Dr. Kissinger had proposed to the conference that early consideration be given to the establishment of an international resources bank to facilitate resource development in the poorer countries. While we have not reached any final conclusion on this idea, we believe that it fully merited further consideration and we regret that it was narrowly defeated by two votes. The great majority of developing countries abstained on the resolution.

Despite the difficulties that arose at the conference and the problems that still need to be resolved, I believe that the outcome augurs well for the continuing dialogue between the developed and developing countries. Most especially, the positive results of the conference, particularly in the commodity area, should provide a useful and constructive basis for pursuing the work of the Conference on International Economic Co-operation in Paris.

At UNCTAD IV, Dr. Perez Guerrero stated, on behalf of the developing members of CIEC, the Paris conference, that failure in Nairobi could bring into question the continuation of that dialogue. The 19 developing countries that are members of CIEC have now assessed the situation. In the light of the progress made on a number of important questions at Nairobi, they have indeed judged it useful to continue the dialogue in Paris.

I fully share the view that there is a satisfactory prospect for balanced progress in CIEC during the remainder of the year. In July, the CIEC will be reviewing the progress it has made and setting its course for the second half of the year. I am confident that the results of UNCTAD IV will help the conference in Paris to pursue its essential objective -- the strengthening of international co-operation for the benefit of all.

So far as Canada is concerned, we shall pursue the work outstanding from UNCTAD IV in UNCTAD, CIEC and other bodies. We shall pursue our interest in improving the international standard for official development assistance. Together with other countries, we shall consider further the balance-of-payments and debt problems of developing countries and the appropriate measures for meeting them. We shall continue to support the principle of joint producer-consumer financial responsibility, on a mandatory basis, for buffer-stock financing within commodity agreements containing such stocks. We shall be actively involved in consultations and negotiations on individual commodities and on the common fund. We shall devote efforts to see that the developing countries achieve additional benefits in the course of the multilateral trade negotiations in

Geneva. We shall take an active part in the elaboration of a voluntary code of conduct for the transfer of technology that is universally applicable.

While the decisions taken by UNCTAD IV mark an important stage in our common efforts to reduce disparities between developed and developing countries, our progress towards that goal, to which the Government is fully committed, will not be easy and will require hard decisions. As we proceed along that course, there will be costs for Canada and for individual Canadians. Their support will be essential, but with it, and the support of this House, we may approach these decisions in a confident and positive manner.

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