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STATEMENT BY THE  
SECRETARY OF STATE  
FOR EXTERNAL AFFAIRS,  
THE HONOURABLE DON JAMIESON,  
AT THE O.E.C.D. COUNCIL  
MINISTERIAL MEETING  
IN PARIS ON JUNE 23, 1977

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Mr. Chairman, the Conference on International Economic Cooperation (CIEC) grappled with two of the major challenges facing mankind - the energy question, and the acute yet long term problems of development. Successes were registered. Significant efforts were made by the industrialized countries on development issues. These were acknowledged and welcomed by our own populations and by the developing countries - more, I might add, in private than in public statements.

There were also disappointments. The industrialized countries were not encouraged by the rather cautious response of the developing world to new measures agreed to in the CIEC. Some regret accompanied the failure to agree on an ongoing energy consultation mechanism. The developing countries, for their part, regretted that results fell short of their aspirations for the structural changes necessary to the creation of a new economic order. Against these disappointments must be recorded the very real achievements of the Conference:

- A programme for energy cooperation and development which can serve as a framework for future international work. This programme includes specific measures to exploit the energy potential of the developing countries.
- Commitments for increases in the flows of development assistance, for a special action programme of assistance for particularly disadvantaged developing countries, and support for the African Infrastructure Development Decade.
- Agreement on the establishment of a Common Fund, and on willingness to begin negotiations on a new international grain arrangement.
- Other gains on a wide variety of fronts, from the International Emergency Grain Reserve, to the access developing countries have to capital markets.

Above all, I should like to stress that CIEC served to underline the persistence of the developing country demand for structural change in the international economic system. We can expect this demand to continue and intensify in the monetary, trade, and raw materials fields. It has become increasingly clear from recent important meetings, including the Downing Street Summit, that there is a clear perception of the need for strong cooperative efforts to meet this challenge.

We see increasing evidence of attitudes which acknowledge that change is taking place and must continue to do so. In our future work, however, I believe the message should be given to the developing countries that it would be a mistake to underestimate the difficulties facing the developed world. We have to muster public support in difficult economic circumstances for these

changes which will, by their nature, impose additional burdens on our people. I must further underline that all countries have a common interest in the health of the world economy. Full health must be restored and maintained if the international system and the economies of our countries retain and increase their capacity to assist with development needs.

CIEC is now both past and a prologue. We must begin a period of implementation and consolidation. New measures, whether from CIEC or from the work of other economic organizations, must be finalized and given time to work through the international system. The increased capitalization of the IBRD, the new IMF tranche, the Special Action Programme, the activation of IFAD, the ongoing Commodity Consultations - to name but a few, must be given time to be worked out and worked through the system. Let no one be under the misapprehension that with the termination of the CIEC an international vacuum has been created. A multiplicity of organizations and meetings in the near future will be tackling substantive international economic issues, including the development aspects: (a) the Common Fund, (b) a Code of Conduct for Transfer of Technology and a UN Conference of Science and Technology, (c) a new phase of intensified activity in the MTN, (d) the Commission on Transnational Corporations and the OECD Committee on Multinational Enterprises, (e) the Brandt Commission which will likely begin work soon, (f) on the monetary financial front, the annual bank and fund meetings in the autumn, (g) in Manila food and agricultural issues are now being intensively addressed, and (h) the resumed UN General Assembly session will consider the results of CIEC, and a special UNCTAD session is scheduled for the autumn.

The lessons of CIEC have been the focus of close scrutiny by all participants but we do not believe that it would be a particularly good use of future time to continue with an intensive analysis of CIEC's results. The need to plan future activity is, to our mind, more imperative now.

There are some paramount questions to be asked as we enter this stage of consolidation: How should the energy dialogue be pursued? Can development assistance efforts be given new focus? What orientation must we seek for the evolution of our relations with the developing country groups? Do our institutional frameworks operate to further our objectives in these areas?

First, on energy. We were unsuccessful at CIEC in achieving agreement on a restricted, representative body of industrialized OPEC and oil importing developing countries to continue the energy dialogue. International discussion of energy issues will inevitably be pursued in some forum, not least because of CIEC's International Energy Cooperation and Development Programme. Bilateral contacts will continue to be of prime importance and we must not forget the contribution CIEC has made to strengthening these contacts. The shape we give to the multilateral implementation

of the programme is now key.

There are some indications that the OPEC could be responsive to some form of increased producer-consumer contact through the International Energy Agency. This is an option worth investigating.

It also seems likely that follow-up on energy issues will be discussed at the resumed UNGA this autumn. There are two kinds of risks inherent in increased energy activity in the UN system. A number of existing specialized agencies, already involved in energy work, may attempt to increase this dimension to the point of fragmentation, more cost and less effectiveness. There is the IAEA, whose safeguards capabilities Canada would not wish to see diminished or diluted. UNIDO, the UN Centre for Natural Resources and even UNESCO, which has been providing technical assistance in energy for some years, also come to mind. It might therefore be desirable to centralize UN energy activities in a single institution, but we must carefully consider whether we want an entirely new specialized agency for energy. I think that our common efforts at this stage should be concentrated on avoiding either of these extremes.

Energy supply/demand/price issues could also be reviewed in a limited membership international forum, such as the World Bank. Perhaps the Energy Consultative Group idea investigated by the industrialized countries at the CIEC could be further explored in connection with the Bank's future increased energy development investment agreed in the CIEC. The possible involvement of the developing countries, including of course OPEC, in the energy research and development activities of the IEA may present a similar opportunity. To our mind these types of operation have more appeal.

Next, on the future focus for assistance to development. The developing countries in the CIEC reaffirmed their primary responsibility for promoting their own development. We achieved rather less success however in mobilizing support for the idea of meeting basic human needs. We must ensure that the benefits of development - indeed the focus of development assistance programmes - should be concentrated to an increasing extent on the poorest sectors of the developing countries. It is now Canadian policy to direct our assistance to programmes which will benefit the poorest countries and within these countries the most disadvantaged. I know that many other countries around this table share this objective. We might well direct our common energies to an effort to secure wider allegiance to this principle, especially among the developing countries. We might also evaluate together the types and quality of programmes which have best served this need.

On the matter of our general relations with the developing countries, I believe that our Secretary General has usefully

indicated the need to re-examine our ties with these countries. Particularly, as the most industrialized tier advances, and as the oil producers continue to accumulate revenues, there will be increasing need to re-examine developed country links with these groups. These changes are of course, already being reflected in bilateral relationships, but there may well be a need to consolidate new forms on the multilateral plane.

This will not be an instant or easy process. Full association with the OECD countries by individual developing states is yet distant. There will be problems of definitions and categories. There will be resistance to the simple fact that the more advanced of the developing countries cannot, at the same time, receive developing countries' benefits and yet be full participants in the councils of the industrialized world.

The OECD countries must nevertheless maintain and increase the momentum of developing countries' integration in the international economic system. In this process, we must encourage greater LDC responsibilities. The problems of the international system are enormous - continuing high rates of inflation, untenable levels of unemployment, severe balance of payments distortion, the dangers of resorting to protectionist trade measures, energy deficiencies, the role of nuclear energy, and in that context, the related question of how to ensure the attainment of our goal of preventing the further proliferation of nuclear weapons. The pursuit of the dialogue with the developing countries must in the real world reflect these concerns.

It is a long road and the frustrations are many. But there are no real options other than pushing toward a better share for the developing countries. We in Canada are proud of our record on development issues and were glad to contribute to the management and, I hope, the success of the CIEC. We will continue to contribute and pledge our efforts to the continuation of the battle against poverty, hunger and ignorance.