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STATEMENTS AND SPEECHES

Statement by

The Right Honourable Joe Clark,
Secretary of State for External Affairs,
to the O.E.C.D. Ministerial Meeting

Canada

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EVERY DAY THE FACE OF THE WORLD IS TRANSFORMED - POLITICALLY, ECONOMICALLY AND PHYSICALLY. AT TIMES, CHANGE IS ABRUPT AND CONSPICUOUS. MORE OFTEN IT IS EVIDENT ONLY WITH THE PASSAGE OF TIME. WE WELCOME IT FOR THE BENEFITS IT CAN BRING BUT FEAR IT FOR THE HAZARDS IT CAN POSE.

HOW CAN WE NOT WELCOME THE DIMINISHED TENSIONS BETWEEN EAST AND WEST OR THE STRENGTH OF THE DEMOCRATIC IMPULSE WE SEE GROWING IN THIS CONTINENT? HOW CAN WE NOT WELCOME THE DYNAMISM AND COMMERCIAL SUCCESS OF THE NEWLY INDUSTRIALIZING ECONOMIES OF ASIA AND THE PACIFIC?

SIMULTANEOUSLY THOUGH, WE ARE JUSTIFIABLY CONCERNED BY THE INCREASINGLY EVIDENT DAMAGE INFLICTED ON OUR ECOSYSTEM AND BY THE THREAT TO DEMOCRACY IN DEBT-BURDENED NATIONS OF THE THIRD WORLD.

WELCOME OR NOT, RAPID OR SLOW, CHANGE IS INEVITABLE. WHAT IS NOT IS HOW WE RESPOND TO IT. CHANGE CHALLENGES US ALL, AS INDIVIDUALS, AS GOVERNMENTS, AS MEMBERS OF INTERNATIONAL INSTITUTIONS SUCH AS THIS ONE. RESPONDING EFFECTIVELY DEMANDS OF US IMAGINATION, INNOVATION AND INITIATIVE AND MORE THAN EVER GLOBAL INTERDEPENDENCE REQUIRES US TO RESPOND COLLECTIVELY SO THAT WE MIGHT TOGETHER MANAGE PROBLEMS BEYOND THE CAPACITY OF ANY ONE GOVERNMENT TO RESOLVE SUCCESSFULLY.

THE OECD HAS A SIGNIFICANT PART TO PLAY IN HELPING ITS MEMBERS CONFRONT THE CHANGES AHEAD. IT MUST BE OPEN AND DYNAMIC, ABLE TO HELP US CONTEND WITH THE DEVELOPMENTS BEYOND OUR OWN BORDERS. AS AN INSTITUTION, IT CAN SERVE AS THE FOCAL POINT FOR OUR COOPERATIVE EFFORTS WITH THE REST OF THE INTERNATIONAL COMMUNITY.

ONE OF OUR MOST OBVIOUS COOPERATIVE CHALLENGES CENTRES ON THE COUNTRIES OF THE DEVELOPING WORLD. THE TASK OF MANAGING OUR RELATIONS WITH THEM IS COMPLEX, DIFFICULT AND PRESSING.

AS DEVELOPING COUNTRIES ACHIEVE ECONOMIC PROGRESS, THEY BECOME MORE ACTIVE TRADING PARTNERS BUT IF THEY CANNOT SERVICE THEIR EXTERNAL DEBT, THERE ARE IMMEDIATE AND DIRECT FINANCIAL CONSEQUENCES FOR CREDITOR GOVERNMENTS AND INSTITUTIONS, AND FOR AN IMPORTANT PART OF OUR INTERNATIONAL TRADE.

IF DEVELOPING COUNTRIES HAVE DIFFICULTIES IN SAFEGUARDING THEIR PHYSICAL ENVIRONMENT, WE TOO WILL SUFFER THE IMPACT. THE FACT THEY BELIEVE THEY CANNOT FOLLOW APPROPRIATE ENVIRONMENT POLICIES MEANS THEIR POTENTIAL FOR ECONOMIC DEVELOPMENT IS IMPAIRED AND HAS ENVIRONMENTAL AND ECONOMIC CONSEQUENCES AFFECTING ALL OF US.

AND IF WE ARE UNABLE TO COOPERATE AS WE MUST TO ENSURE A GROWING, STABLE WORLD ECONOMY, WITH OPEN MARKETS, OUR DEVELOPMENT ASSISTANCE PROGRAMS AND THE EFFORTS OF DEVELOPING COUNTRIES THEMSELVES WILL HAVE LITTLE SUSTAINED BENEFIT.

THE OECD'S DEVELOPMENT ASSISTANCE COMMITTEE PERFORMS A VITAL ROLE IN MAINTAINING THE VOLUME AND QUALITY OF OUR ASSISTANCE. IT ALSO OBLIGES US TO REFLECT MORE FULLY ON THE ROLE OF OUR AID PROGRAMS AND POLICIES IN PROMOTING DEVELOPMENT. SO WE WELCOME THE COMMITTEE'S WORK TO SITUATE OUR DEVELOPMENT COOPERATION EFFORT IN THE CONTEXT OF THE CHALLENGES THAT FACE US IN THE 1990S AND LOOK FORWARD TO SEEING THE RESULTS OF THIS WORK AT NEXT YEAR'S MEETING.

THE INITIAL RESULTS OF THE DAC ANALYSIS ARE CONSISTENT WITH CANADIAN POLICY, AS SET OUT IN OUR AID STRATEGY PUBLISHED LAST YEAR.

ONE OF THE PRINCIPAL CONCLUSIONS OF CANADA'S AID REVIEW IS THAT WE HAVE TO SUPPORT THE POLICIES AND PROGRAMS THAT DEVELOPING COUNTRIES THEMSELVES ARE UNDERTAKING.

LONG TERM DEVELOPMENT AND GROWTH IN THE DEVELOPING COUNTRIES MUST BE BASED ON SOUND NATIONAL ECONOMIC POLICIES. SUCH POLICIES MUST IMPROVE EFFICIENCY IN THE ECONOMY, PROMOTE DOMESTIC SAVINGS AND ATTRACT THE FOREIGN INVESTMENT WHICH ARE SO IMPORTANT TO FINANCING DEVELOPMENT.

NOT ONLY MUST WE ENCOURAGE SUCH POLICIES, WE HAVE TO BE PREPARED TO PROVIDE THE SUPPORT NEEDED TO ASSIST COUNTRIES IN IMPLEMENTING THEM.

POLICY REFORM MUST BE NOT ONLY ECONOMICALLY SOUND BUT SOCIALLY SUSTAINABLE AS WELL. ACCORDINGLY, SOCIAL CONSIDERATIONS HAVE TO BE INTEGRATED INTO THE POLICY FORMULATION PROCESS. THE WORLD BANK, THE IMF AND THIS ORGANIZATION HAVE BECOME INCREASINGLY AWARE OF THIS FACT AND ARE NOW TAKING IT INTO ACCOUNT IN THEIR CURRENT WORK. THAT IS WELCOME AND SHOULD BE CONTINUED.

WITH DOMESTIC ECONOMIC REFORMS, APPROPRIATELY SUPPORTED, INDEBTED DEVELOPING COUNTRIES CAN BEGIN TO SEE SOME END OF A VERY DIFFICULT ROAD BUT WE CLEARLY HAVE TO LOOK AT EACH COUNTRY'S CIRCUMSTANCES, RECOGNIZING THAT THE PRECISE SOLUTIONS TO THE DEBT AND DEVELOPMENT PROBLEM MAY DIFFER FROM ONE TO ANOTHER.

FOR MIDDLE-INCOME DEVELOPING COUNTRIES, THE AGREED FOCUS IS ON DEALING WITH THE VOLUNTARY AND MARKET-ORIENTED REDUCTION OF COMMERCIAL BANK DEBT.

FOR THE POOREST OF THE POOR, GOVERNMENTS HAVE BEEN PREPARED TO PLAY A STRONGER ROLE BECAUSE THEIR DEBT IS LARGELY RELATED TO OFFICIAL LOANS OWED TO GOVERNMENTS OF INDUSTRIALIZED COUNTRIES. THE RESCHEDULING IN THE PARIS CLUB, UNDER WHAT ARE KNOWN AS THE "TORONTO TERMS", AND THE SPECIAL SUPPORT GROUP EFFORT FOR GUYANA, WHICH CANADA CHAIRED, HAVE BEEN INNOVATIVE AND USEFUL. BUT CLEARLY WE NEED TO REMAIN OPEN TO NEW IDEAS, PARTICULARLY SO IN THOSE AREAS WHERE GOVERNMENTS CAN PLAY A SIGNIFICANT ROLE.

OFFICIAL DEVELOPMENT ASSISTANCE (ODA) DEBT MAY WELL BE ONE SUCH AREA. MANY COUNTRIES, INCLUDING CANADA, HAVE ALREADY FORGIVEN THE ODA DEBTS OF THE LEAST DEVELOPED COUNTRIES. SOME, AGAIN INCLUDING CANADA, HAVE TAKEN SIMILAR MEASURES FOR A NUMBER OF COUNTRIES IN SUB-SAHARAN AFRICA. WE URGE OTHER COUNTRIES TO CONSIDER SIMILAR ACTIONS.

BUT DEBT MANAGEMENT TECHNIQUES ARE NOT IN THEMSELVES SUFFICIENT TO GUARANTEE SUCCESS IN THE GROWTH PROCESS. GLOBAL ECONOMIC CONDITIONS HAVE TO BE MADE MORE CONDUCTIVE TO DEVELOPMENT OVER THE LONGER TERM.

IN THAT RESPECT, THE FUNDAMENTAL CONTRIBUTION OF INDUSTRIALIZED COUNTRIES TO DEVELOPMENT IS TO HELP ENSURE AN OPEN, GROWING AND STABLE WORLD ECONOMY IN WHICH DEVELOPING COUNTRIES CAN BECOME ACTIVE PARTICIPANTS. THIS WAS ANOTHER BASIC CONCLUSION OF OUR AID POLICY REVIEW.

OFFICIAL DEVELOPMENT ASSISTANCE IS, AFTER ALL, A RATHER SMALL PART OF THE TOTAL DEVELOPMENT PICTURE. GOOD FISCAL AND MONETARY POLICIES IN THE INDUSTRIALIZED COUNTRIES, FOR EXAMPLE, CONTRIBUTE TO THE REDUCTION OF INTEREST RATES AND TO INCREASED SAVINGS. A MORE LIBERAL MULTILATERAL TRADING SYSTEM WILL BENEFIT DEVELOPING COUNTRIES IF IT OPENS MARKETS FOR THEIR EXPORTS.

FOR CANADA, CONTRIBUTING TO A HEALTHY DOMESTIC AS WELL AS INTERNATIONAL ECONOMY MEANS COMING TO GRIPS WITH OUR FISCAL DEFICIT. WE DID SO IN THE GOVERNMENT'S APRIL BUDGET WHICH AFFECTED BOTH OUR REVENUES AND EXPENDITURES. WHILE THERE WILL BE ADJUSTMENTS IN THE SHORT RUN, WE HAVE LAID THE BASIS FOR STRONG AND STABLE GROWTH IN THE COMING YEARS.

AS WE LOOK AT THE GLOBAL ASSISTANCE EFFORT, IT IS CLEAR THAT THE VOLUME OF ASSISTANCE IS NOT KEEPING PACE WITH NEED. OUR AID PROGRAM IN RECENT YEARS HAS BEEN GROWING BY 7.4 PER CENT, MORE THAN TWICE THE RATE OF CANADIAN GOVERNMENT SPENDING GENERALLY. CANADA, LIKE SOME OTHER DONORS, HAS HAD TO MAKE SHORT-TERM ADJUSTMENTS TO OUR AID BUDGET, BUT BEGINNING NEXT YEAR, OUR PROGRAM WILL GROW AGAIN, TIED BY A FORMULA TO THE GROWTH OF THE CANADIAN ECONOMY AND OUR RATIO OF DEVELOPMENT ASSISTANCE TO GNP WILL GRADUALLY INCREASE.

IT IS HARDER TO MEASURE AID QUALITY VOLUME, BUT BOTH HIGH QUALITY AND VOLUME ARE NECESSARY TO A CREDIBLE AID EFFORT. CANADA IS COMMITTED TO THE HIGH QUALITY OF ITS PROGRAM, AND DESPITE THE BUDGET REDUCTIONS, THE FUNDAMENTAL DEVELOPMENTAL ORIENTATION OF CANADIAN AID WILL REMAIN CENTRAL.

THAT MEANS THAT THE POLICY DIRECTION OF THE CANADIAN ODA STRATEGY, ANNOUNCED LAST YEAR, AND WELCOMED BY THE DEVELOPMENT ASSISTANCE COMMITTEE, REMAINS UNCHANGED.

ALL THE IMPROVEMENTS WILL REMAIN AND WILL BE CARRIED OUT, INCLUDING THE COMMITMENT TO DEVELOPMENT FIRST, AND PARTICULARLY TO THE POOREST, AND PRIORITY PUT ON MAJOR THEMES SUCH AS HUMAN RESOURCE DEVELOPMENT AND THE ENVIRONMENT. CANADA WILL ALSO CONTINUE TO WORK ACTIVELY IN THIS ORGANIZATION TO ENCOURAGE IMPROVEMENT IN THE QUALITY OF OUR COLLECTIVE ASSISTANCE EFFORTS.

THE PROBLEMS OF DEBT AND DEVELOPMENT HAVE BEEN COMPOUNDED BY THE GROWING THREAT TO THE GLOBAL ENVIRONMENT.

FARMERS IN AFRICA CANNOT BE PRODUCTIVE WHEN DESERTIFICATION ROBBS THEM OF THEIR FIELDS, NO MORE SO THAN FARMERS IN BANGLADESH WHOSE HARVESTS ARE WASHED AWAY BY UNCONTROLLABLE FLOODS. THESE AND OTHER PROBLEMS SUCH AS DEFORESTATION WILL, IF LEFT UNCHECKED, LIMIT THE POTENTIAL OF DEVELOPING NATIONS AND HANDICAP THE PRODUCTIVITY OF DEVELOPED NATIONS.

BUT THE THREATS ARE NOT JUST TO THE DEVELOPING WORLD. WE ALL FACE THEM. ON CANADA'S ATLANTIC COAST OUR FISHING INDUSTRY IS IN JEOPARDY BECAUSE OF THE OVER-HARVESTING OF NORTH ATLANTIC FISH STOCKS. IN THE WATERS OFF OUR PACIFIC COAST THOUSANDS OF BIRDS AND ANIMALS PERISH EVERY YEAR, VICTIMS OF RAPACIOUS DRIFT NET FISHERMEN.

AND BETWEEN OUR COASTS THOUSANDS OF OUR LAKES AND TREES ARE DEAD BECAUSE OF ACID RAIN. UNTIL ACID RAIN IS CURTAILED EVEN MORE OF OUR FORESTS AND WATER WILL DIE.

ACID RAIN AND NATURAL RESOURCE DEPLETION ARE NOT PROBLEMS UNIQUE TO CANADA, NO MORE SO THAN THE DAMAGE TO THE PLANET'S ATMOSPHERE. THE COMBINED EFFECTS OF CLIMATE CHANGE, OZONE DEPLETION AND TRANSBOUNDARY AIR POLLUTION SUCH AS ACID RAIN COULD WREAK HAVOC AROUND THE WORLD.

WHILE THE PROSPECTS ARE GRIM WE CAN TAKE AT LEAST SOME COMFORT FROM THE FACT THAT THE MESSAGE OF THE WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT ON SUSTAINABLE DEVELOPMENT IS NOW WIDELY ACCEPTED.

MORE AND MORE NATIONS AGREE THAT ENVIRONMENTAL DEGRADATION POSES A SERIOUS THREAT TO SUSTAINED ECONOMIC DEVELOPMENT AND ULTIMATELY TO GLOBAL SECURITY. WITH IT HAS COME THE GROWING RECOGNITION THAT GOVERNMENTS AND MULTILATERAL ORGANIZATIONS MUST FIND EFFECTIVE MEANS TO MAINTAIN AND ENHANCE THE QUALITY OF THE WHOLE BIOSPHERE ON WHICH ALL LIFE DEPENDS.

WE MUST HARNESS EXPERTISE WHEREVER WE CAN.

THE OECD HAS A SPECIAL RESPONSIBILITY. ITS PROVEN ANALYTICAL CAPACITY SHOULD BE UTILIZED TO DEVELOP THE CONCEPT OF SUSTAINABLE DEVELOPMENT INTO A PRACTICAL FRAMEWORK FOR ACTION.

SUCH A FRAMEWORK WOULD ENSURE THAT SUSTAINABLE DEVELOPMENT BECOMES A PRIORITY IN OECD COMMITTEES INCLUDING TRADE, AGRICULTURE, ECONOMIC POLICY AND OTHER AREAS. IT COULD ALSO LEAD TO THE GUIDELINES THAT WOULD ENCOURAGE MEMBER GOVERNMENTS TO BUILD IN ENVIRONMENTAL CONSIDERATIONS TO DECISION-MAKING IN OTHER FIELDS.

SUCH A FRAMEWORK WOULD, I BELIEVE, PROVE TO HAVE ENORMOUS BENEFITS FOR GOVERNMENTS AND INDUSTRY.

IT WOULD ENABLE GOVERNMENTS AND INDUSTRY TO UNDERTAKE POLICIES AND PROJECTS THAT ARE ENVIRONMENTALLY SOUND.

THE OECD ALSO HAS A ROLE IN BROADENING THE DIALOGUE ON THE ENVIRONMENT. FOR EXAMPLE, IT COULD ORGANIZE A MULTI-SECTORAL ADVISORY BOARD ON SUSTAINABLE DEVELOPMENT. EXPERIENCE IN CANADA WITH SUCH A BODY, OUR NATIONAL ROUND TABLE ON ENVIRONMENT AND ECONOMY, SHOWS THE POTENTIAL IT HAS FOR INNOVATIVE, PRAGMATIC APPROACHES TO THE CHALLENGE OF SUSTAINABLE DEVELOPMENT.

CANADA WOULD LIKE TO SEE A LINK ESTABLISHED BETWEEN THE 1991 OECD ENVIRONMENT COMMITTEE MINISTERIAL AND THE OECD MINISTERIAL MEETING THAT SAME YEAR. SUCH A LINK WOULD GIVE FOCUS TO NEW OECD ENVIRONMENT AND ECONOMY ACTIVITIES, AND SYMBOLIZE THE INTEGRATION OF ENVIRONMENT AND ECONOMY ISSUES WITHIN THE OECD.

ANOTHER IMPORTANT CONTRIBUTION WAS ALREADY MADE BY MY COLLEAGUE, THE FINANCE MINISTER: THE OECD SHOULD CONSIDER INCLUDING IN EACH COUNTRY REVIEW, CARRIED OUT BY THE ECONOMIC AND DEVELOPMENT REVIEW COMMITTEE, AN ASSESSMENT AS TO WHETHER RESOURCES ARE BEING USED IN AN ENVIRONMENTALLY SOUND MANNER.

ON TUESDAY, INTERNATIONAL ENERGY AGENCY (IEA) MINISTERS ENGAGED IN A LENGTHY DISCUSSION ON ENERGY AND THE ENVIRONMENT. CANADA PROPOSED THERE THAT THE IEA WORK CLOSELY WITH THE OECD ON THESE ISSUES AND, IN PARTICULAR, CONTRIBUTE TO THE WORK OF THE INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE.

CLIMATE CHANGE IS PERHAPS THE MOST SIGNIFICANT ENVIRONMENTAL ISSUE TODAY. AN INTERNATIONAL CONVENTION ON CLIMATE CHANGE MUST BE ONE OF THE TOP PRIORITIES FOR THE WORLD COMMUNITY. WE WELCOME LAST WEEK'S DECISION OF THE UNEP GOVERNING COUNCIL TO BEGIN WORK ON SUCH A CONVENTION.

CANADA HAS FOUND THE OECD CHEMICAL PROGRAM USEFUL IN THE IMPLEMENTATION OF NEW ENVIRONMENTAL PROTECTION LEGISLATION. THE OECD SHOULD TAKE ADVANTAGE OF THIS EXPERTISE AND SHARE INFORMATION ON AGRICULTURAL AND INDUSTRIAL CHEMICALS WITH DEVELOPING NATIONS IN AN EFFORT TO REDUCE THE GLOBAL SPREAD OF CHEMICALLY RELATED LAND AND WATER POLLUTION.

IN SHORT THE MESSAGE THAT THE OECD SHOULD BE SENDING OUT IS
THAT:

- ITS ENVIRONMENTAL PROGRAM WILL BE FOCUSED AND INTENSE;
- IT WILL DEFINE THE RELATIONSHIP BETWEEN ECONOMY AND ENVIRONMENT;
- IT WILL DEVELOP ENVIRONMENTALLY ORIENTED COST-BENEFIT ANALYSIS TO HELP MAKE TOUGH CHOICES;
- IT WILL FASHION ECONOMIC POLICY AND FINANCIAL TOOLS TO IMPLEMENT ENVIRONMENTAL POLICIES.

WE OWE PROGRESS IN THESE AREAS TO OURSELVES; WE OWE IT TO DEVELOPING COUNTRIES AS WELL.

NOT ALL CHANGE AS I MENTIONED AT THE OUTSET IS FOR THE WORSE. THERE ARE BRIGHT SPOTS AS WELL.

LAST YEAR, WE LAUNCHED A PROCESS OF CONSULTATION WITH REPRESENTATIVES FROM THE NEWLY INDUSTRIALIZING ECONOMIES OF THE PACIFIC. CANADA PLAYED A LEAD ROLE IN PROMOTING THIS DIALOGUE. WE DID SO NOT JUST BECAUSE CANADA TOO IS A PACIFIC NATION BUT, AS WELL, BECAUSE WE RECOGNIZE THAT OUR MACRO-ECONOMIC, TRADE AND EVEN SOCIAL POLICIES AND PROGRAMS HAVE A MUTUAL IMPACT.

THE DIALOGUE ON ISSUES OF MUTUAL INTEREST IS NOW WELL ENGAGED. THE OECD, IN ITS WORK, IS TAKING GREATER ACCOUNT OF THE ECONOMIC CONDITIONS AND POLICIES IN KOREA, SINGAPORE, HONG KONG AND ELSEWHERE IN THE REGION. WORKSHOPS WILL BE ESTABLISHED TO PURSUE DISCUSSIONS IN SPECIFIC POLICY AREAS.

WE HAVE SEEN THE SUCCESS STORIES AMONG THE NEWLY INDUSTRIALIZING ECONOMIES AND THE LESSONS THAT CAN BE LEARNED. THAT SUCCESS DID NOT COME EASILY, BUT RATHER IN THE FACE OF OFTEN CONSIDERABLE DIFFICULTIES. AND WE HAVE RECOGNIZED THAT WE NEED TO HAVE AN OPEN CONSTRUCTIVE DIALOGUE WITH THOSE WHO DIRECT THESE IMPORTANT ECONOMIES. CLEARLY, THEREFORE, OUR VERY SUCCESSFUL FIRST EFFORT SHOULD BE FOLLOWED UP SYSTEMATICALLY.

THE SEMINAR AND THE WORKSHOPS MUST BE THE STARTING POINT IN A DYNAMIC PROCESS, AND NOT BE ALLOWED TO BECOME ISOLATED EVENTS.

I BELIEVE THAT THE COUNTRIES THAT ARE MEMBERS OF THE OECD CAN ALSO EXTEND THEIR CONTACTS WITH THOSE WHO ARE NOT. THE OECD IS WELL PLACED TO UNDERTAKE COORDINATION OF FURTHER ANALYTICAL WORK ON ECONOMIC DEVELOPMENTS IN EASTERN EUROPE. IN PARTICULAR, WE BELIEVE THAT THIS ORGANIZATION SHOULD RESPOND POSITIVELY AND CONSTRUCTIVELY TO REQUESTS FROM CMEA COUNTRIES FOR ECONOMIC ANALYSIS AND METHODOLOGY AND TECHNICAL ADVICE TO BOLSTER ECONOMIC EFFICIENCY AND REFORM.

IN THIS BROAD DIMENSION OF OUR WORK, WE CAN LEARN MUCH FROM ONE ANOTHER, AND FROM NON-MEMBERS. WE NEED TO REMAIN OPEN TO NEW IDEAS AND NEW STRUCTURES.

IN SUCH ACTIVITIES, AS IN OUR WORK ON DEVELOPMENT AND ON THE ENVIRONMENT, THEREFORE, FLEXIBILITY, INNOVATION AND IMAGINATION MUST BE OUR WATCHWORDS.