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NORTH AMERICA AND EUROPE IN NORTH-SOUTH RELATIONS

An address by the Honourable Mark MacGuigan, Secretary of State for External Affairs, to the American-European Conference of the Friedrich-Neumann-Stiftung, Ponta Delagade, Sao Miguel, Azores, September 4, 1982

...Western Europe and North America have had their revolutions and fought their wars. Postwar reconstruction and development have led to increased political stability, basic justice, a large degree of social equity and financial stability. This is in no way to diminish the very real strains on our financial and monetary systems, nor to belittle the inordinate amounts of unemployment, nor the vicious cycles of inflation that presently beleaguer all of our societies. Rather, it is to point out that in comparison to many corners of this earth, and particularly in contrast with the developing nations, we are still the privileged few.

As such, I believe that Western Europe and North America have a special role to play in the North-South dialogue, and that we must continue to play that role, in spite of our own difficulties.

Western Europe and North America have had a particular role in the international economic system. It is interesting to note that the United Nations of today, with its large-scale multilateral institutions is, to a large degree, the outgrowth of wartime reconstruction and development plans. The Second World War required greater economic co-operation than previous wars, and postwar economic planning began during the conflict.

In a real sense, the war in Europe cast the die for the new economic order. It is equally important that the philosophy underlying the principles of the United Nations Charter was essentially liberal in the classic sense, – based on freedom, openness of thought, generosity and the abolition of privilege. Aid itself became part of liberal democratic institutions; this was true in multilateral and bilateral programs, although in the early Fifties, as evidence by the Colombo Plan, there was, as there is today, the security aspect as well.

In the North-South context, the liberal tradition may be seen to underlie the push for political independence in developing countries. It has fostered subsequent efforts to encourage continued commitment to human rights and pluralistic processes in newly established states. It has accepted the concept of non-alignment, but at the same time has tried to insist that the non-alignment be genuine, so that developing countries may be free of East-West tensions, which so often sap the energies of those who need that energy most.

Future security depends on present management

I believe that world security will depend largely upon how governments manage the crises of the present decade. I also believe that world security will depend on the degree to which liberal ideas can survive in this economic climate. The modern world economy really does not leave room for pure ideology — while the private sector has much to offer the process of international development, it is not a panacea, nor can it ever be. Societies of the world community are too complex, and too divergent, and this to me is something that must not be ignored.

Not all developing countries share the same values as Western democracies. Often their infrastructures are lacking, as are skilled people to manage their economies, and staff their bureaucracies. In other respects, lack of the basic necessities, such as food and shelter, along with such conditions as illiteracy and under-education often mean that Western style democracies cannot serve as the immediate model to be emulated.

On the other hand, liberal values, which have driven all of our societies, can serve as a catalyst to the betterment of many developing countries. The values to which I refer are those which characterize the true liberal — someone who can personify moderation and balance. In our societies liberalism has been a cast of mind which emphasized procedural fairness, equality of opportunity, acceptance of the rule of law, and the protection of civil liberties. Liberalism has tended to view the role of government as catalytic or moderating relation to the private sector. It has been identified with pragmatic policies in a mixed economy.

Liberalism a tradition of principles

Liberalism has not been a tradition of policies so much as it has been a tradition of principles — a recognition that while there may be eternal truths, there can be no eternal policies. In this sense, liberalism could be and should be the driving force for many new nations; allowing them the flexibility to develop mixed economies to respond to the specific needs of their own peoples, and, at the same time, leaving the private sector scope for individual incentive. Too often, in throwing off the colonial yoke, newly independent nations have swung to dictatorships of the right or left, often at the expense of a number of the sectors of their individual societies. The role of Western democracies, I believe, is not to turn their backs on such societies, but rather, with their tradition of liberalism, with their political contacts with their largesse, to assist such nations towards moderation and balance, so that the people of these countries do not suffer unduly. This is, of course, the human side of the North-South dialogue, and it requires that openness of thought that I referred to earlier as one of the characteristics of classic liberalism.

Put more pragmatically, I believe that in the 1980s industrialized democracies must forge a more mature political relationship with developing countries. Yesterday, we discussed at length the current course of East-West tensions. Whether or not we can be optimistic about East-West relations, what we can and must do is to seek to insulate the Third World more from East-West contention. We must demonstrate

that our idea of a pluralistic world community corresponds with their objectives of independence and self-determination.

By way of example, I refer to North America's relations with the Caribbean and Central America. While Canada's historic ties have been much greater with the Caribbean countries than with Central America, in the global sense the area as a whole is of strategic and political importance to North America. As a microcosm of world problems, I would also suggest that the Caribbean Basin, including all of Central America, is of interest to all of us here today, especially because of the difficult policy question developments they have posed.

Central America

On a proportional scale Central America is facing crises of enormous proportions. Falling world prices have had a dramatic effect on their export market. Political instability is seriously affecting Guatemala and El Salvador, where the guerrilla wars show little sign of abating. Nicaragua's government is under scrutiny for its increasing human rights violations, and its destabilizing political activities in the area; it is also subject to guerrilla activities on its borders. Honduras has recently been subject to terrorist attacks purportedly perpetrated by those supporting the guerrillas in El Salvador. Even Costa Rica which has often been categorized as a jewel of democracy has recently been the victim of terrorist activities within its borders. We complain of unemployment rates in the 10 per cent range, yet, some of these countries face rates double or triple that. At the same time, all are facing inflation rates that remind one of a whirling dervish; combine this with climbing government debt, no matter what the country, and it is not difficult to see the possibility of serious political explosion. Add East-West tension to the pot and you really do have a situation which is close to the boil.

Over the past three years, Canada has undertaken comprehensive reviews of our relations with the Caribbean and Central America, particularly with respect to development assistance. Based on these reviews, we announced our intention to double our development assistance to the Commonwealth Caribbean and to substantially increase our assistance to Central America. We have as well joined with our hemispheric partners, the USA, Mexico, Venezuela (and laterally) Colombia in the Caribbean Basin Initiative. This initiative is a common expression of political will to exert our best efforts to stimulate economic and social development in the area through programs of co-operation, and without military or political preconditions.

Canada's conviction is that current instability in the area is deeply rooted in the socio-economic conditions of the region — the poverty, the unfair distribution of wealth, and the social injustice. We may find little comfort in the records of some of these governments, particularly as regards human rights; but the question must be posed. Do we back away and point our fingers in an accusing fashion, or do we try, through political, economic and institutional channels to encourage them in their frail beginnings? (I am heartened indeed to know that this liberal group saw fit to

sponsor a meeting held, I believe, this past weekend, in Nicaragua. It is through such meetings that the theory of the North-South dialogue is put into practice.)

Western world's commitment

Central America is by no means the only area of the developing world which is undergoing extremes on the economic and political scale, and this leads me to reiterate the absolute necessity of the Western world's commitment on the North-South question. We in the North are, without any doubt the wealthiest and freest peoples in the history of the earth. Under no other system have people been able to sustain the growth rates, the political sophistication, nor the economic betterment that we have given to our peoples since the Second World War. Yet, at the same time, almost a billion human beings in this world live on the borderline of existence. We must ensure that they at least have access to the most fundamental of human requirements – food, shelter, health care, clean water, and education. In a shrinking world we have to broaden the definition of who is our neighbour. The plight of our fellow human beings demands our attention, regardless of the national boundaries or ideologies that may divide us.

Where, then, can we find our starting point in defining a liberal agenda for North-South affairs in the 1980s? As liberals, I think we should start with reality, with the facts – and one of the most appalling facts I know is that of the estimated 125 million children born this year in the Third World, about 12 million will never reach their first birthday. They die of malnutrition or water-borne diseases compounded by lack of medical care. They will become part of our generation's record in history – in effect, the equivalent of two holocausts a year, even though we have the means in our world to end this disgrace and certainly cannot plead ignorance of what is happening.

As liberals, we know that such a situation cries out for reform. We know, too, that the problem is global and transcends national borders. That is why liberals of all nationalities have helped in building the framework of international institutions that are needed to tackle world-wide problems, and to allow countries to participate on a fair and open basis in the world's affairs. It is appropriate that one of the great liberal statements of this century is, in fact, the Preamble to the Charter of the United Nations, which sets out goals that should command our lifelong efforts: "to save succeeding generations from the scourge of war; to reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal right of men and women and of nations large and small; to practise tolerance and live together in peace with one another as good neighbours".

Two major challenges

From the continuing international issues, two relatively new questions have emerged as major challenges for the 1980s and beyond.

The most obvious is the search for a more just and equitable international economic order, one that will enable the developing countries to benefit from a larger share of

the world's trade, technology and capital. Not surprisingly, the North has rejected the comprehensive blueprints for action presented by the developing countries, particularly the demand for establishment of a New International Economic Order.

It is not difficult to understand why the most economically powerful countries won't consent to radical restructuring of the international order – but as liberals we know that it is the law of life that conditions change, that institutions must evolve or perish, and that the international economic system, as set up after the Second World War, is not eternal and is not exempt from the need for reform. Indeed, we can see all too clearly that it is labouring under heavy strain and needs at least a major overhaul. We can also appreciate that, especially for the poorest countries, there is little magic to be found in the marketplace.

I would suggest that, as liberals, our proper role in this crucial struggle over the international economic system should be to break the dangerous deadlock of the past several years by finding the areas of common interest, working toward mutual understanding between North and South, and pressing urgently for the compromises that can loosen the logjam and create a fairer international economic system.

World problems should be shared

The second of these new questions that realism thrusts on our attention is somewhat similar: it is the need to find better ways of sharing with other sovereign states the responsibility for a more rational, ordered management of the world and its resources. We have encountered in recent years a rapidly growing number of major problems – from acid rain to Antarctica to outer space – that do not fit into national boundaries or traditional frameworks. Pressures are building, and creative statesmanship is needed.

The law of the sea could well be a precursor to new legal mechanisms which could, at last, permit us to deal peacefully with unprecedented international issues and competing national interests – a way of applying the rule of law and liberal rationality in the international arena. The alternative might well be chaos – a plundered planet left barely habitable through environmental degradation and the squandering of resources; a tragedy of the commons in which everyone overgrazes and overfishes, and mankind is left with nothing.

I have mentioned some of the broad issues and general principles that I consider important in a liberal approach to North-South relations. But actions speak louder than words, and the actual help that each country is providing to the Third World is perhaps the best indicator of how seriously it takes the problems facing three-quarters of humanity.

As a donor country, Canada has been in the middle rank. Our flow of official development assistance has been above the OECD [Organization for Economic Co-operation and Development] average, but not at the level reached by Scandinavian countries and the Netherlands. In 1980, however, I was able to pledge at the

United Nations that Canada would reverse the downward trend of the late 1970s, reach an ODA/GNP [Official Development Assistance/Gross National Product] ratio of .5 per cent by the middle of the 1980s, and make best efforts to meet the .7 per cent target by the end of the decade.

While building up the volume of our program, we are also trying to upgrade its content and sharpen its focus. We are pursuing what might be called the cultural model of development — the idea that development consists of a people, making their own culture and lifestyle, making the adaptations necessary to live self-reliantly and in harmony with their environment.

We are concentrating on three sectors that we consider crucial: agriculture and food self-sufficiency; energy, including new and renewable forms; and human resources development, especially in such areas as management and technical skills.

We have also gone beyond the usual bilateral and multilateral framework by creating a number of special programs to involve virtually all elements of Canada's private sector, from churches and volunteer groups to universities, professional associations and private companies.

I believe that development co-operation should have a rather special place in our priorities as liberals — because each time an Asian slum-dweller masters a productive skill, each time an African mother gains access to clean water for her family, each time a Latin American child learns to read, another blow is struck against oppression and for human liberation.

North-South prospects

In closing, I would like to take a quick look ahead at what I see as the prospects for North-South relations in the rest of our century. Partly because of rapid economic growth in the 1950s and 1960s, some real progress was made in the Third World: life expectancy rose from about 42 years to 55 in a quarter-century, while primary school enrolment doubled worldwide between 1960 and 1975. That kind of unprecedented progress will be very difficult to achieve in the 1980s and 1990s.

We face constraints of many kinds. The developing countries must cope with crushing debt, acute balance-of-payments pressure, and painful adjustment programs. Ominously, the *per capita* real income of the Third World as a whole is declining in absolute terms for the first time since the late 1950s, with all that this implies in human suffering.

Meanwhile, in the developed countries, economic anxiety prevails, funds for development co-operation are in decline, and cynicism is growing about our ability to respond on the domestic or international scene.

Can we learn from the past? Paradoxically, I believe that today's difficulties bear the

seeds of future progress – because global interdependence has become so glaringly obvious, and because we have a better international framework than in the 1930s on which to build.

It is these new realities, therefore, which we must put before our electorates. If we fail, our adversaries will succeed with policies which capture only a slice of reality. We have to ensure the broad public understanding that will endorse reasonable decisions. Our purpose as liberals, in our country as in our world, must be, in the words of the Canadian poet, Louis Dudek, "the liberation of the individual self...working always for this time and this place, this self, to find the hidden meaning of all things – that is the great adventure. It's not a dark prospect, but an infinite horizon of possibilities". That "infinite horizon of possibilities" is the liberal view of the future of the world.

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