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NOTES FOR A STATEMENT  
TO THE HOUSE OF COMMONS  
BY THE SECRETARY OF STATE  
FOR EXTERNAL AFFAIRS,  
THE HONOURABLE  
ALLAN J. MACEachEN

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"CONFERENCE ON INTERNATIONAL  
ECONOMIC CO-OPERATION"

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I am happy to report on the progress which has been made in initiating a dialogue among industrialized and developing countries in the Conference on International Economic Cooperation. I have attended two meetings in Paris as Co-Chairman of the Conference, a function which I share with the Venezuelan Minister of State for International Economic Affairs, Dr. Manuel Perez Guerrero. We have worked together very closely from the start and I want to pay tribute to his wisdom, knowledge and good judgement.

The Conference on International Economic Cooperation is a new venture in international diplomacy bringing together 27 participants -- 19 developing countries and 8 developed members including the European Community. Seven of the developing countries are members of OPEC whereas 12 are oil importing countries. The membership of the Conference has been selected to be broadly representative of the interests of the world community as a whole, with the exception of Eastern Europe and China which are not participating.

The use of Co-Chairmen from the two groups to head the Conference and the Commissions is a new technique in conferences of this kind. Limited but representative membership may ensure that any consensus reached at the Conference is broadly acceptable to the international community. It may also make it possible to replace the highly politicized and often sterile debate on international economic problems by a pragmatic and systematic

approach to complex questions which cannot be resolved by rhetoric. Limited membership may also be conducive to better understanding and hence to a more earnest and direct attack on specific issues.

The origins of this Conference are diverse and are reflected in its character. What began as a reaction to the quadrupling of petroleum prices in late 1973 has evolved over the past two years into a Conference designed to examine many of the world's major economic problems, in addition to those associated with energy. The Conference will undoubtedly address the various demands for changes in the world's economic system which have been put forward by developing countries in the United Nations. Since the first impact of the oil price rise Canada has been a consistent advocate of such a consumer-producer dialogue and has in particular advocated including the "innocent victims" -- the most seriously affected developing countries -- in the dialogue. I am therefore particularly gratified that the Conference can truthfully be described as a dialogue between developed and developing countries, between producers and consumers of petroleum, and between producers and consumers of other raw materials.

During the coming year the Conference will attempt to reach agreement by consensus on a variety of important issues in the fields of energy, raw materials, development and finance. It is my hope that in the process it will make a positive contribution to a new era of international economic cooperation by fostering better understanding and by stimulating on-going work in other bodies such as UNCTAD, UNIDO, the

GATT, the FAO, the International Monetary Fund and the World Bank.

The Ministerial Meeting in December which President Giscard d'Estaing opened and which Dr. Perez Guerrero and I chaired brought together Ministers from the twenty-seven members of the Conference. We agreed on the creation of four Commissions (for energy, raw materials, development, and financial affairs). Each consists of 15 members, five representing developed, and ten representing developing members. We agreed on the Co-Chairmen for each of the four Commissions and approved general guidelines regarding the work of the Conference.

At a follow-up meeting last week, Dr. Perez Guerrero and I, as Conference Co-Chairmen, together with the eight Co-Chairmen of the four Commissions reviewed preparations for the work of the Commissions. We agreed that each of the Commissions should meet five times between now and July and we made a number of recommendations with respect to the duration of meetings, participation by observers, and other procedures. While the initial meetings of the Commission will probably deal with organizational and procedural matters, I believe they will quickly move on to substantive questions. A meeting of senior officials from the 27 members may review the progress of the Commissions in about five months' time -- probably in June. It is expected that a Ministerial Meeting will be held next December to conclude the work of the Commissions.

The two Co-Chairmen of the Conference have a particularly sensitive role to play. Although all participants in the Conference on International Economic Cooperation are prepared to approach issues in a positive and cooperative manner, there is a broad range of differing national interests and philosophies among the developed, developing and OPEC members of the Conference. To a degree, it was this very diversity of interests and the consequent difficulty of providing leadership equally responsive to both the Group of 8 -- the developed members -- and the Group of 19 -- the developing members -- which led to the choice of two Co-Chairmen as a technique for organizing the Conference. This co-direction of the Conference is symbolic of the determination of the member countries to work together and to accept shared responsibility for the results. Just as Dr. Perez Guerrero and I have a certain responsibility for ensuring that the work of the Conference proceeds in an orderly and constructive manner so the Co-Chairmen of the Commissions have a responsibility for guiding the work of their Commissions so that they achieve results which are broadly acceptable to the international community, including those countries which are not members of the Conference. I have, of course, been working very closely with Dr. Perez Guerrero to achieve that goal, and I am sure that the Co-Chairmen of the Commissions will also work as a team.

Canada is a member of two of the four Commissions: Energy and Development. The dialogue in the Energy Commission may eventually encompass such sensitive issues as oil prices, indexation and security of supply. We hope that it will lead to increased stability in the international oil market which would facilitate the orderly planning and development of Canada's own energy needs. I also trust the dialogue will make a real contribution to solving the problems of the developing countries most seriously affected by the rise in oil and other prices.

I am particularly pleased that Canada will participate in the work of the Development Commission. As you know Canada has won considerable respect in the Third World for its stand on development questions. I can assure you Canada will continue this positive approach in the Development Commission which will probably consider a broad range of issues in such key areas as food and agricultural development, industrial and technological cooperation, trade liberalization, and official development assistance.

Canada is not a member of the Raw Materials and Finance Commissions. As they may deal with a number of vital issues such as the stabilization of commodity prices, the stabilization of earnings derived from commodity exports and international financial questions, we do have a substantial interest in their proceedings. We shall, therefore, be following the work of these Commissions closely through our

observers in them. We expect to consult frequently and closely with our colleagues in the Conference who are participating in these Commissions.

I think that we have got off to a good start. Canada has been given an important part in shaping this new instrument of international cooperation. That may be a matter of satisfaction but it is also a challenge which we shall faithfully seek to meet.