



Statements and Speeches

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CONFERENCE ON INTERNATIONAL ECONOMIC CO-OPERATION

An Address by the Honourable Allan J. MacEachen, President of the Privy Council, to the Resumed Thirty-first Session of the United Nations General Assembly, New York, September 13, 1977.

...The General Assembly has before it the report of the Conference on International Economic Co-operation. The CIEC concluded its work in June, and it is now the task of this Assembly, and other international organizations, to make the best of these results. Although I was intimately involved in the work of the CIEC from its inception in December 1975 as one of the co-chairmen, I am speaking today from a Canadian perspective. I want to give you some Canadian views on the outcome of the conference and suggestions on how best we can pursue our work here.

The results of the CIEC represent a mixture of success and failure, of progress and disappointment, for all participants. What is most important, however, is that there was agreement that the conference contributed to a broader understanding of the international economic situation and that the dialogue between developed and developing countries, of which the CIEC was a part, will continue to be pursued actively, here at the United Nations and elsewhere.

In examining the results of the conference, I can see several key areas of agreement where work should be proceeding on implementation, where there should be detailed follow-up to the decisions of principle that were taken.

There was agreement that there should be a common fund, and negotiations on its purposes and operations will be pursued in the coming months under the auspices of UNCTAD (the United Nations Conference on Trade and Development). We want these talks to succeed, and shall work actively towards that end.

Important commitments were made by industrialized countries on the volume and quality of official development assistance. A \$1-billion program of special action to assist the poorest developing countries was established and is already being disbursed. As a part of its contribution to this program, Canada is cancelling over a quarter of a billion dollars in official development-assistance indebtedness of least-developed countries. Progress was made on food security and in bringing the prospect of a 500,000-ton international emergency grain-reserve closer to reality. Canada will play a major part in this effort.

In energy, agreed conclusions were reached on a broad program of national action and international co-operation aimed at transition away from oil and gas towards renewable energy resources, conservation, increased efficiency in the use of energy and the development of new resources. These conclusions acknowledge the interdependence of world energy relations.

We should now build on the areas of agreement here at the United Nations and through various UN agencies, in UNCTAD, at the Multilateral Trade Negotiations, through the International Monetary Fund (IMF) and World Bank, and through the organizations involved in world food production and security. National governments must follow up quickly and fully on their commitments.

On a number of issues that were examined in depth at the CIEC, the end result was disagreement. These included the areas of compensatory financing, purchasing power of raw materials and energy resources, indebtedness of developing countries and adjustment-assistance measures for industrialization. The need for further work in these areas is obvious.

The 18 months of dialogue pointed out quite vividly the differences among countries that exist and will continue to exist on so many important economic issues. These differences will continue because governments will, quite rightly, pursue their political mandates and their national interests in economic policy, and this will lead them in different, and often conflicting, directions.

This is why I believe the dialogue between developed and developing countries must continue to be pursued actively and constructively. The importance of the international forums in which we meet to debate, to consult and to negotiate can be measured by the improved perceptions of governments of the consequences of their pursuit of national interests. If the debate is reasoned, the consultations constructive, and the negotiations of mutual interest, work in international forums will have a positive effect on government policies.

The purpose of this resumed session is to give some guidance to the UN system as to the role its constituent elements should play in following up on the results of the CIEC. The Second Committee, beginning in this resumed session and continuing through the thirty-second session, must get on with this task. It should address itself to the issues on which there was agreement at the CIEC and those on which there was no agreement. It should provide for involvement of existing institutions to the full extent of their capacities, and it should recognize the crucial role to be played by the World Bank, the IMF, UNCTAD and GATT (the General Agreement on Tariffs and Trade).

I want to say a particular word about energy, because it has been a sensitive and important element of the debate at the CIEC and because there is no obvious place within the existing system of international institutions to deal with energy issues. As early as the mid-1980s, world energy supplies are not likely to be adequate to sustain the economic progress all countries desire. There is consensus on the gravity of the energy challenge facing the world community, and on the need for a co-operative response.

We recognize the need for new and reinforced measures for energy-conservation and efficient use, increased efforts to develop additional and alternative energy sources to replace depletable oil and gas, and energy research to develop new and more sustain-

able energy sources, such as solar- or wind-power. We recognize the particular problems of energy-deficient developing countries. They require energy and related financial resources to sustain their economic development. To develop fully the indigenous energy potential of these countries, increased flows of capital from international financial institutions will be necessary, especially from the World Bank. To this same end, international measures to increase energy technical assistance will be required. In the short term, these financial and technical measures should aim at intensifying exploration for oil and gas and the exploitation of untapped alternative energy sources, such as coal and hydroelectric power, in these energy-deficient developing countries.

Our joint efforts to meet the energy challenge have been well launched, but they are incomplete. It will be necessary for countries to work together to bring about the fullest and most efficient development of the earth's energy resources. This resumed session, and the regular session that begins next week, will have to address the question of how best to deal with these issues on a practical and effective basis. Canada, as both a producer and consumer of energy, is prepared to work in co-operation with other countries, and within a broad range of international institutions, towards a smooth transition to an eventual non-hydrocarbon, world energy economy.

The CIEC served to underline the continuing need for structural changes in the international economic system. This challenge will continue and intensify in the monetary, trade and raw material fields. There is, I believe, a clear perception of the need for strong co-operative efforts to meet this challenge. I see increasing evidence of attitudes among governments that acknowledge that change is taking place and that it must continue to do so.

In our future work on issues of international economic and social development, it would be wrong to underestimate the difficulties facing developed countries. In Canada, our people are understandably concerned with domestic economic problems such as unemployment and inflation, problems that directly affect their lives. Governments have to muster public support in difficult economic circumstances for changes and adjustments that will, by their nature, impose additional burdens on our people. This is an important challenge to the leadership of developed countries, and one we must strive to meet.

We shall be aided in meeting this challenge by an atmosphere of understanding. We know that developing countries are impatient for change in the world. They are right to be so. But there must be some recognition, some appreciation of the important and difficult steps that developed countries have taken towards meeting developing-country concerns. Several such steps were taken at the CIEC. They involved difficult decisions by governments. If these steps are not recognized as being positive and as contributing to progress, the political atmosphere in the future may not be conducive to further positive steps. I hope this is borne in mind by all of us here.

The commitment of governments and leaders can be influenced by the atmosphere I have referred to. At the CIEC, the direct and personal involvement of political leaders

from participating countries contributed to both increased awareness on their part of the complexities of the economic problems that confront the international community and the resolution of some of the differences that existed at the end of the conference. We can learn from this experience.

I would underline, in conclusion, that all of us have a common interest in the health of the world economy, especially in reducing unemployment and inflation internationally. Full economic health must be restored and maintained if the international system and the economies of our countries are to increase their capacity to contribute to economic and social development. Restoration of the health of the world economy and greater equity in the international economic system are urgent goals, which, I believe, are compatible. We must all work together to achieve them.

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