



# Statements and Speeches

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## NEW PERSPECTIVES OF CO-OPERATION BETWEEN CANADA AND ARGENTINA

Remarks by the Right Honourable Joe Clark, Secretary of State for External Affairs on the Occasion of the Official Dinner in Honour of Argentine Foreign Minister Caputo, Ottawa, September 30, 1985.

...I am convinced, Mr. Minister, that our two countries have much to learn from each other. Your visit occurs at a particularly opportune time. It enables us to specify the framework in which we would like to see the development of bilateral relations between our two countries. The political force that is accorded today to these relations consolidates the efforts already undertaken and opens new perspectives of co-operation.

An important element of this process has been personal contact between ministers and senior officials of both our governments. Indeed, last week, we were pleased to welcome to Canada, slightly in advance of yourself, your Energy Minister Storani, who was accompanied by an impressive delegation of senior Argentine officials and businessmen. A further significant step was the meeting of the Canada-Argentina Committee on Economic and Industrial Co-operation which was held in Buenos Aires, August 20-22. Although this was essentially a meeting of officials from both our countries who had come together for the first time to build a new dimension to the relationship, I am very pleased with the progress achieved and, particularly, with the new areas of co-operation which were identified. These cross a broad range of issues, from preparations for the forthcoming multilateral trade negotiations to the identification of specific trade projects. In this regard, Mr. Minister, I want to underscore the importance which the government of Canada attaches to these consultations and to express our gratitude for your personal interest and involvement which made a significant contribution to its process.

Our discussions today identified two particular issues of common concern and interest — the peace process in Central America and the difficult financial crisis currently confronting so many countries of the region.

As countries from the Western hemisphere, both Canada and Argentina have been extremely supportive of efforts to bring about a lasting peace in Central America. In this regard, I would like to congratulate Foreign Minister Caputo for his dynamic role in the very positive and timely step taken recently by Argentina, together with Brazil, Peru and Uruguay to establish a Contadora support group. Conscious of the many difficulties and frustrations which have beset the Contadora countries [Venezuela, Colombia, Mexico, Panama] in their search for a peaceful settlement in Central America, they have in this way reinforced the moral and practical authority of Contadora at a critical time.

As you know, Canada continues to regard the Contadora process as the most appropriate instrument which could create a framework within which reconciliation, and a return to stability in Central America may be possible. I use the word "appropriate" advisedly. Contadora is an appropriate mechanism because it is an indigenous Latin American initiative designed to address a problem in Latin America.

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As I indicated in the message which I sent to you and your colleagues on the occasion of your founding meeting in August in Cartagena, we welcome this fresh and timely example of key South American countries providing solidarity behind the Contadora process. I believe it is no coincidence that, soon after this meeting with your Contadora colleagues, genuine progress was made at the Contadora meetings with the five Central American countries which recently concluded in Panama.

Canada is, of course, far away geographically from Latin America. I make this rather obvious statement to explain why our position is that of supporter not leader in the search for peace in Central America. But as a part of this hemisphere we must acknowledge a responsibility to be constructive where that is practical and where it is welcome. This clarifies, in part, why our support for Contadora has been much more than simply rhetorical. I have made it clear that, if invited, Canada would make available to the Contadora countries our expertise and our advice on verification and control. The invitation was forthcoming and Canada has provided detailed comments on four occasions and assistance to the Contadora countries in the design of the verification and control mechanism.

I repeat to you Mr. Minister, as I did to Mr. Sepulveda, the Foreign Minister of Mexico only last week in New York, that Canada remains prepared to provide any further advisory assistance in this field which may be helpful.

Our preoccupation with the crisis in Central America and our willingness to help has manifested itself in our ways. Consistent with the spirit and objectives of Contadora, Canada maintains its development assistance commitments to Central America. This we are doing despite austerity and the inevitable shrinkage of budgets. In recognition of the very positive steps which have been made in El Salvador, particularly under President Duarte, toward the development of a genuine democratic process and the significant reduction of human rights violations, Canada has restored its aid program to that country. In the difficult circumstances which still prevail in El Salvador, the central focus of our aid will be humanitarian. Our projects will involve non-governmental organizations and will be especially directed to displaced persons.

In Nicaragua Canada has actively supported the efforts of one of the associations of indigenous peoples, the Misurasata, to work out a satisfactory *modus vivendi* with the government in Managua which would enable them to return to their traditional homelands in peace and to protect the integrity of their culture.

Canada has repeatedly expressed its continued concern about the related issues of human rights, displaced persons and refugees in Central America. We have steadily increased the number of refugees we have taken from this area. Last year Canada accepted 3 000 of these persons and this year a similar number will be accepted.

With respect to the international debt situation, I am very conscious of the economic difficulties that Latin America is confronting. We in Canada have followed closely the development of President Alfonsin's economic policies and I want to express my admiration for the courageous steps that the Argentine government has taken to deal with an economic situation that would pose a challenge for

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any elected government. We see these actions as confirmation of the kind of leadership that all of Argentina's friends hoped would be realized with the inauguration of President Alfonsin.

You are a most eloquent spokesman on the challenges facing the world in dealing with the debt situation. I would like to assure you, Minister, that Argentina should not believe that it faces its future alone. The implications of this situation for the region and for the global economy have preoccupied Canada since 1982. Canada has been and will continue to be actively involved in multilateral efforts with a view to ensuring that the over-all approach will be realistic, flexible and appropriate to the circumstances.

I do not want to review tonight the origins of this problem, nor to attempt to assign blame. There is plenty of responsibility to be shared. Our task now is to continue to co-operate to achieve a more encouraging future.

While we have made considerable progress in dealing with debt servicing problems in no small degree as a result of courageous adjustments of debtor countries, there is no room for complacency. The external economic environment is less favourable now for the necessary adjustment effort. In your speech at the United Nations last week, I noted that you made a very important observation which you also underlined in our discussions here in Ottawa. You said: "it is impossible to conceive of a stable situation in which austerity would not be accompanied by growth, or at least the hope of growth". Canada wants to work with others to ensure an effective international response to that hope.

Considerable co-operation among debtor and creditor governments, banks and international institutions will be essential. The case-by-case approach remains valid. The International Monetary Fund (IMF) and the World Bank must continue to play a key role in strengthening financial flows. However, the international community must consider ways to strengthen this approach.

First, industrialized countries must pursue policies to foster sustained economic growth and lower interest rates. In Canada's view, further progress in reducing the US budget would be helpful. Other industrialized countries which are in a position to do so must act to help compensate for a slowing US economy.

As a trading nation, Canada is crucially aware of the dangers of protectionism to its own prosperity and the threat to debtor nations. Therefore, industrial countries have a responsibility to resist these pressures. In view of the mood of the US Congress, this is a major challenge for us all. As part of this effort, I urge you, Mr. Minister, to consider carefully how you and your Latin American colleagues might work towards an early start to a new Multilateral Trade Negotiations round.

I believe we should also work to strengthen the role of the World Bank and the co-operation between the Bank and the IMF. Both institutions must have adequate resources and policies to continue to play an effective role in dealing with the debt and adjustment problems of developing countries by strengthening the prospects for financial flows. Greater attention should now be given to the role of the Bank. In the annual meeting of the IMF and the World Bank, Canada will be seeking consideration

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of the resources for the Bank and the need for greater flexibility in its lending activities. We hope these will lead to concrete results.

Finally, I need hardly underline the important role that sound economic policies in debtor countries will play. For a country with an impressive economic base and hard working population like Argentina your actions obviously reflect the view that national policies will be critical for the return of confidence of lenders and investors.

I am under no illusions that measures to deal with the debt and adjustments will be controversial among developed and developing countries. Canada wishes to play a constructive role in existing fora where these problems should be considered and strongly supports bilateral and multilateral dialogue. I agree with what you said in New York at the United Nations that we should not let a general debate impede the exploration of concrete and workable solutions. For that reason, I welcome this opportunity to discuss these matters with you, Mr. Minister. Exchanges of views on these important issues should facilitate our joint search for more enduring solutions to debt-related problems and lay a basis for a global consensus on these very difficult issues.

Mr. Minister, we have had fruitful discussions. We share common ideals as well as common concerns and have identified common goals. For two countries at opposite ends of the hemisphere, we have more in common than one would think. The potential is there to move forward and to significantly develop our bilateral relationship. Your visit has established what I hope will be a continuing dialogue and I look forward to working together with you in expanding and enriching our ties and in seeking solutions to the major issues now confronting us....

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