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NOTES FOR A  
STATEMENT MADE BY THE  
SECRETARY OF STATE FOR  
EXTERNAL AFFAIRS, THE  
HONOURABLE ALLAN J.  
MACÉACHEN, BEFORE THE  
SUB-COMMITTEE ON  
INTERNATIONAL DEVELOPMENT  
OF THE STANDING COMMITTEE  
ON EXTERNAL AFFAIRS AND  
NATIONAL DEFENCE

NOVEMBER 6, 1975

28

Mr. Chairman,

The formation of this Sub-committee is a welcome step for two good reasons. In the first place Canada, like the other wealthy nations, finds itself at a crucial point in its relations with the developing countries. After 25 years of what used to be called "foreign aid" we are facing a whole new set of circumstances, calling for new solutions to new problems. The various options open to us all have far-reaching consequences not only for our foreign policy but for our national life as well.

The second reason why I welcome the formation of this Sub-committee is the broad mandate given it in Parliament's reference of June 17. Not only is it empowered to report "upon the full range" of international development policies, but it is asked to do so "with particular reference to the economic relations between developed and developing countries". Parliament has thus shown itself aware of the fact that international development co-operation encompasses an area beyond aid transfers and involves our entire relationship with development nations. I shall come back to this point in more detail later. In this initial meeting of the Sub-committee, I want to assure you of the full co-operation of the Department of External Affairs, and of CIDA in your work.

I wish to speak today about our development assistance programme, about broader questions involved in our economic relations with developing countries and about the role of the Sub-committee. The broad mandate given to this Sub-committee is entirely appropriate as it reflects the growing sophistication and widening influence of Canada's international development co-operation from its modest beginnings 25 years ago. You will recall that the Canadian aid programme began more or less as a family affair. After India, Pakistan and Ceylon shed their colonial status in the late 1940s an awareness soon emerged that political autonomy would be difficult to sustain without rapid and intensive economic and social development. In order to support that development Canada joined Britain, Australia, New Zealand and the three newly independent Asian countries in establishing the Colombo Plan. For eight years the Colombo Plan was Canada's only country-to-country aid programme and when other members of the Commonwealth also gained their independence, Canada extended its support to them by mounting the Commonwealth Caribbean Assistance Plan in 1958 and the Commonwealth Africa Assistance Plan in 1960.

A year later the Francophone aspect of our heritage and our bilingual character found expression in the launching of an assistance programme for Francophone African countries. This assistance was greatly amplified by a number of development projects identified in 1968 by the Chevrier Mission. Meanwhile Canada had turned its attention to Latin America by establishing a special Canadian Fund in the Inter-American Bank in 1964, and in 1970 this programme was augmented by one of direct bilateral assistance to Latin-American countries.

In 1960, the government of the day took note of the fact that aid programmes are an integral part of Canada's foreign policy and are moulded by the nature of the relationships between Canada and the recipient countries. The administration and operation of these programmes were brought under the supervision and control of the Secretary of State for External Affairs, and the External Aid Office was established. The same decision established a senior inter-departmental committee, now known as the Canadian International Development Board. We are now studying ways to enable the Board to play a more constructive role in co-ordinating the policies of the various departments involved in our development assistance programme.

The growing complexity of the problems of developing countries made necessary a full review of our development assistance programme, a review which led to the publication on September 2 of the Strategy for International Development Co-operation 1975-1980. Our Strategy is not so much an agonizing re-appraisal of international development policy as an expression of a number of concepts and practices which have evolved from our 25 years of experience in development co-operation. World events have made more critical this re-evaluation of the purpose and nature of our relationships with the developing countries. Already in 1970, the Foreign Policy Review suggested that the concepts of aid applied during the 1960s were not adequate for the coming decade. The Strategy for 1975-1980 is not a rigid formula for development co-operation. It is designed to be responsive to the flow of events while maintaining the continuity so essential to effective long-term economic and social development programmes. I do not wish to take Members' valuable time in a review of the 21 points of the Strategy. May I simply refer to some of the most significant aspects.

- Canada's assistance will be concentrated in a limited number of developing countries to ensure maximum effectiveness and impact.
- The Canadian programme will concentrate upon the poorest countries, those most seriously affected by economic dislocation, and on the poorest groups within those countries. At least 80% of our bilateral assistance will be aimed at these countries.
- Canadian development efforts will focus increasingly upon major world problems, such as agriculture and rural development, basic education and training, public health and population, shelter and energy.
- Canada wishes to help those nations which show a real willingness to help themselves. True co-operation provides nations with the option of choosing a method of development most appropriate to their own political, economic and social requirements. We wish to see, however, forms of development in which the poorest and weakest members of society -- the rural poor, the landless tenant farmers, the urban untrained and unemployed -- share from the beginning in the benefits of growth.
- The programme will be flexible, with forms of assistance available which are tailored to the needs of some middle-income developing countries.
- We re-state our determination to reach the official UN target of 0.7% of our GNP in official development assistance, through annual increases in assistance as a percentage of GNP. We recognize that this pledge will be a severe test of our national commitment to development co-operation.

I would now like to turn to broader questions involved in Canada's economic relations with developing countries. As members of the Sub-committee, you have all shown a keen interest in the Report of the Commonwealth Expert Group on a New International Economic Order and in the Seventh Special Session of the UN General Assembly which was held two months ago. Several of you attended the Seventh Special Session and I wish to place on record my appreciation of your important contribution to the work of our Delegation.

I wish to review for you briefly my personal reaction to these exercises in which we have been involved in the past few months. The first point, in my view, is that significant progress has been made. The Report of the Commonwealth Expert Group was a positive contribution to international dialogue and understanding and gives us an important guide toward practical action to lessen disparities in living standards between rich and poor around the world. At the Commonwealth Finance Ministers' Meeting in August, Ministers gave their general endorsement to this Report. The Commonwealth Expert Group will meet again next year to pursue its task in new areas such as the problems of developing countries which must import most of their required raw materials.

At the Seventh Special Session we saw a greatly improved atmosphere for debate and negotiations at the UN. There was flexibility, foresight and goodwill on all sides of the table and the approach which emerged from that Session is one which we welcome and support. There was a much greater meeting of minds at the Seventh Special Session and this resulted in a consensus approach in dealing with the difficulties and needs of developing countries.

Canada's efforts in this area over the past few months have been aimed at putting forward constructive positions reflecting Canada's interests in the long and short term. They have also been aimed at building bridges between developed and developing countries. In my statement at the Seventh Special Session I said that: "We are determined to play a positive role, to use our resources and our influence in the efforts to bring about constructive change in the international economic system and thereby to reduce the gap between rich and poor nations." I reiterate that statement today. We have made progress on commodities, trade liberalization, the transfer of resources, industrial co-operation and food and agriculture. We must ensure that the evolution of the international economic system continues in the right direction.

We must take advantage of the improved international atmosphere. I believe that a lack of will on the part of developed or developing countries in the field of international economic co-operation would result in our losing the gains made at the Seventh Special Session. The next steps in the process are the Conference on International Economic Co-operation in Paris or producer/consumer conference, ongoing

discussions in commodity councils leading up to UNCTAD IV in Nairobi, the continuing Multilateral Trade Negotiations under the GATT, and discussions of international financial and monetary issues at the IMF. In each of these fora we shall be putting forward positions which reflect Canada's economic interests and our desire to strengthen co-operation with developing countries. The Conference on International Economic Co-operation will hold a Ministerial Session in December. At that Meeting the energy question will be considered in relation to other economic issues of importance to developing countries.

Just as the Canadian International Development Board under the Chairmanship of Mr. Gérin-Lajoie advises me on development assistance matters, the Interdepartmental Committee on Economic Relations with Developing Countries under the Chairmanship of Mr. Robinson advises me on the broader multi-dimensional issues which we are continuing to deal with. I wish to stress the interdepartmental nature of the Government's consideration of these issues.

Thus through our aid programme and through other measures of co-operation with developing countries we are seeking ways of lessening disparities between developed and developing countries. In my view, bringing rich and poor close together, finding ways to lessen these great disparities, is one of the fundamental tasks in the field of international relations today. It is crucial for global stability and for the future of human civilization. I believe that Canada has the ability to maintain and increase its efforts to confront these problems despite the sacrifices which will be required in our domestic fight against inflation. Aid programmes are easy targets in times of economic stress. Support for our programme must be founded upon a broad understanding by Canadians of the critical problems facing the community of nations and the disastrous results which would follow any reduction of effort by industrialized nations because of economic problems at home.

The importance of broadly-based national support for our programmes and policies aimed at assisting developing countries cannot be over-emphasized. Canadians must be made more aware of the issues involved in our relations with developing countries. Discussion in this Sub-committee and efforts by each of you to air these questions with the

Canadian people will make a valuable contribution to improved understanding of the issues. The Canadian people should be made aware of the costs and benefits, in economic and political terms, of action which may be taken by Canada in favour of developing countries: through the budget for our international development programme, through improved access to the Canadian market for developing country exports, through agreements to stabilize international trade in commodities. There will be domestic economic costs but in the longer term the cost of doing too little could be much greater. I see therefore the need for continuing consultations between this Sub-committee and myself and my officials. I look forward to this dialogue and would welcome any questions you might have at this time.