

FOR IMMEDIATE RELEASE  
MARCH 24, 1972

CHECK AGAINST DELIVERY



# STATEMENT DISCOURS

SECRETARY  
OF STATE  
FOR EXTERNAL  
AFFAIRS.

SECRÉTAIRE  
D'ÉTAT AUX  
AFFAIRES  
EXTÉRIEURES.

NOTES FOR A STATEMENT BY  
THE SECRETARY OF STATE  
FOR EXTERNAL AFFAIRS,  
THE HONOURABLE MITCHELL SHARP,  
AT THE STANDING COMMITTEE  
ON EXTERNAL AFFAIRS  
AND NATIONAL DEFENCE,  
OTTAWA, MARCH 24, 1972

---

The purpose of our meeting this morning is to discuss the estimates of the Department of External Affairs and of CIDA, which you have before you. What I have to say by way of introduction will be brief.

Two years ago, the Government pointed out in its review of foreign policy that developing and managing foreign policy was going to become more complex in the seventies. Events continue to bear this out. The volume and range of contacts between Canada and the world go on increasing. This is certainly true of the Federal Government. But it is equally true of other levels of government, of the private as well as the public sector, and of individuals as well as organizations. All these levels of Canadian interest must be served. Organizing to serve them is a challenge in itself, quite apart from the policy problems involved. Steady progress has been made in improving the machinery which is at the Government's disposal for this purpose. You may hear something of the details from the Under-Secretary, since he is also Chairman of the Interdepartmental Committee on External Relations.

In the past year we have opened a mission in Algeria, and taken the first steps towards opening missions in Zambia and Bangladesh. The Organization of American States has accepted our application for Observer Status and our mission to that Organization in Washington opened last week. The press has raised the question of why our Embassy to the United States in Washington should not undertake this responsibility. The answer, for once, is a simple one. Double accreditation to the United States Government and to the OAS is not acceptable to the OAS. In any event, as members who have been in touch with our Embassy will know, the Ambassador and his staff are already working at maximum capacity.

Canada is soon to become a full member of the Inter-American Development Bank, and, in line with our declared intention to play our full part in the Inter-American System, has joined a number of the agencies making up that System. Bilateral contact with the countries of Latin America has not been ignored. At the official level senior officers of my Department have carried out a programme of visits and at the ministerial level the first meeting of the Joint Canada-Mexico Committee was held in Ottawa.

The anticipated enlargement of the European Common Market is well on the way to completion, a development of first importance to Canada. The frequency and intensity of our contacts with the European Economic Commission and with member governments is increasing, and we are working towards a more systematic mode of consultation. I am glad to be able to say that the concentrated effort to change European attitudes to Canada undertaken two years ago has

been very effective. With an assist from President Nixon last August 15th we have been able to convince our friends in Western Europe that Canada does not live wholly in the shade of the American umbrella but has its own part to play in the world in economic and political terms equally.

The Protocol on Consultations and the Scientific and Technological Exchanges Agreement with the Soviet Union are already bearing fruit. Consultation with the Soviet Union at official and ministerial levels is now more frequent than previously, covers a wider range of subject matter and is carried on in a much improved atmosphere. Six commissions specializing in various areas have been set up under the Scientific and Technological Exchanges Agreement.

Members will be aware that, although Canada did not lobby to bring the Peking Government into the China seat at the United Nations, the Canadian position on this question was of considerable, if not indeed crucial, importance in bringing about a result that has attracted close to universal commendation. Our relations with China are developing to the advantage of both countries and the coming year will see exchanges of expert, official and ministerial visits. An exclusively Canadian trade fair -- the so-called "Solo" fair will be held in Peking in August, and China will participate at the Canadian National Exhibition in Toronto and "Man and His World" in Montreal.

The past year has seen the anguished birth of the new nation of Bangladesh. Canada is joining with others in contributing to the relief and rehabilitation of the area, while maintaining our existing close contacts with Pakistan.

The year's list of successful negotiations on the law of the sea and related questions is impressive. We are on the verge of concluding an important series of agreements designed to end certain traditional foreign fishing rights in our territorial sea and fishing zones. Agreements with Norway on sealing and fishing are already in force; fisheries agreements with Britain, Denmark, France and Portugal virtually completed; and an agreement with Spain in prospect. The Canadian and Danish Governments have before them the text of an agreement delimiting the continental shelf between the Canadian Arctic islands and Greenland. Negotiations for delimiting the shelf adjacent to French and United States territory should begin soon.

In the United Nations, Canada is heavily involved in preparations for the 1973 Law of the Sea Conference. Our objective is international recognition of the right of coastal states to manage the fisheries adjacent to their coasts and to reserve a preferential share of the harvest. We are similarly involved in preparations for the 1973 Conference on Marine Pollution. Our objective there will

be to ensure, if possible, that the Conference results in a ban on pollution from ships. The Stockholm Conference on the Human Environment in June will offer another opportunity to strengthen international law so as to protect the marine environment especially. Canadian negotiators have already had some success in ensuring that the action plan which will emerge from Stockholm will be practical and not merely inspirational.

There are other areas where the demand for the development of new international law is strong. Hijacking is one. Canada has been negotiating a bilateral agreement with Cuba which would make unlawful interference with aircraft an extraditable offence. We recently invited the Cubans to come to Ottawa as soon as they are ready for what we hope will be the final round of negotiations. In May, we will be tabling a draft Convention on Registration of Objects Launched into Outer Space before the United Nations body concerned. In the same month, we will be pursuing at the Second Red Cross Conference on Humanitarian Law a Canadian initiative launched at the First Conference last year; this is designed to guarantee basic human rights even in conflicts "not of an international character".

Members of this Committee will hardly need to be reminded of how preoccupied the Government has been in recent months with the course of Canada's relations with the United States. This is a subject too big to summarize for my purposes today, but I will be glad to discuss it with you.

Our relations with the developing world continue to present an absorbing complex of problems. I should like to devote some time to dealing with them, bearing in mind my responsibilities for development assistance as well as foreign policy.

In three weeks an opportunity to discuss both trade and aid with the Third World will be available with the opening of UNCTAD III in Santiago. The developing countries view UNCTAD uniquely as "their" organization in the United Nations system. They tend to measure their willingness to co-operate with the developed countries on other international issues by the standard of the industrialized world's performance in UNCTAD. Since UNCTAD II, we have made progress towards the goals set at that conference. Because of generally unsettled economic conditions we have not yet implemented our general preference scheme. Our commitment to do so remains firm, however. Our representatives will take assurances of that commitment to Santiago. We are making steady progress towards the GNP aid target; we are among the few donor countries actually increasing their financial commitments to development; we have acceded to two price stabilization

commodity agreements in coffee and sugar; and Canadian representatives are now working on a cocoa agreement in Geneva. In short, I think Canada is going to UNCTAD III in a fairly good position.

### International Development Assistance

In a world where many things are changing for the better, it is disappointing that the problems of the developing countries should remain so intractable. Much progress has been made through the exertion of these countries and the efforts of the donor countries to accelerate their development. Many developing countries are experiencing a more rapid rate of economic growth. But the gap between the industrial world and the developing world generally continues to widen. Aid flows have not kept pace with the needs of developing countries. Some of these countries carry disturbingly heavy debt burdens. In most, rapid population increases have absorbed increases in their national wealth with little improvement to show in the standard of living. It is increasingly clear that the problems are not amenable to easy solutions. Imaginative and innovative proposals are essential if we are to come to grips with these problems.

Canadian development assistance programmes have grown very rapidly over the past few years. They continue to grow. In 1972/73, appropriations for Canadian assistance programmes will total \$491 million. This is an increase of more than 15% over the previous year. We have made progress towards the aid target expressed as a percent of GNP and broadly accepted by the international community. During the last fiscal year we reached a level of expenditure of 0.44% of GNP for official development assistance against a target of 0.70%. Seventy per cent of our development funds go to programmes negotiated on a government-to-government basis between Canada and the developing countries.

An important part of the Government's 1970 review of foreign policy related to Canadian international development assistance efforts. The review raised some fundamental questions about aid: Why should Canada help developing countries? Is it in our national interest? What is needed to make this aid welcome in developing countries? These questions will always be with us, but the review helped to clarify our approach. Development assistance is in the Canadian interest. It builds stronger ties between Canada and the developing countries in terms of Canadian exports and resulting employment in Canada, the development of future markets and better reciprocal understanding. It helps to fulfil the aspirations of the developing countries and thereby contributes to stability in the world. For these countries, development assistance based on objective criteria can fit well into their plans for economic and social development.

The review concluded that our aid should be an integral part of our foreign policy and should be directed to the economic and social development needs of developing countries. In this way, our aid programmes reflect both Canadian national interests and the interests of the countries receiving aid. This is well illustrated by some of the criteria used in the allocation of bilateral aid such as the economic requirements of the recipient countries; Canada's ability to meet these needs; the performance and development prospects of developing countries; their ability to utilize resources effectively for development purposes and the extent to which Canada can have an impact on the economic performance of the recipient country through the assistance programme.

Another important matter which, as you may recall, we considered in the course of the aid review was how much aid should go through multilateral channels. By making contributions to multilateral institutions, we are able to extend a geographic coverage of our development assistance funds in a much broader way than it would be possible for us to do under our bilateral programmes. We are placing considerable priority on our support to these institutions such as the World Bank, the regional banks and the United Nations development programme. Our contributions to these multilateral institutions currently amount to about 25% of available funds and reach a figure of a little over \$131 million. A particularly important initiative was our decision to seek membership in the Inter-American Development Bank -- a decision which will involve contributions totalling approximately \$100 million over three years. In order to achieve full membership, we had to obtain from the members of the Bank a modification of the bank charter which previously limited membership to the members of the Organization of American States. The agreements between Canada and the Bank are now in the process of ratification by its members. I am confident that this process will be completed soon. We have also played a leading part in the development of a special fund attached to the African Development Bank which should considerably increase the ability of that institution to carry out its task.

Turning to our bilateral programmes, we are entering a new phase in their development. Over the past few years, the funds available for these programmes increased very rapidly. We had to be careful not to allow these funds to remain idle and our pipeline of assistance to developing countries to become unnecessarily large. The creation of effective Canadian mechanisms for the provision of aid put great strain on our administrative resources. These pioneering days are now gradually coming to a close and the solid co-operative base we have created with these countries, our experience and increased resources enable us to achieve a new degree of sophistication in Canadian development assistance. This is

very much to be welcomed because the tasks of aid and development are becoming more and more complex.

What about improving the quality of our aid? What of the danger of dispersing our efforts? If we want to have an effective international development assistance programme, it must make the maximum development impact and be efficiently run. It is natural that, as Canada becomes more and more an important source of development assistance, an increasing number of countries should look to us. We must ensure that our aid goes where it can do the most good.

Over the coming year, the Government intends to submit this question to careful examination. We shall look at such questions as: In which sectors do Canadian experience and resources meet the needs of the developing countries best? In which countries will our aid be used most effectively? Should we think in terms of countries of concentration as we did in the past or of continuing and integrated programmes in some parts of the world? What about assistance to regional projects?

Without anticipating the results of the careful work which has been initiated, I would expect that our development assistance programme will continue to grow in Africa and Asia where the requirements of Pakistan, Bangladesh and India are expected to be very large in the future years. I already referred to our membership in the Inter-American Development Bank. This is a reflection of our increasing interest for that part of the world. I would also expect our bilateral technical assistance programmes in Latin America to grow towards a level of \$10 million a year. We have channelled to the Caribbean area by far the largest amount of Canadian aid on a per capita basis. We are continuing our efforts to ensure that funds available to the Caribbean are fully and effectively utilized and particular emphasis will be placed on programmes designed to meet the needs of the smaller islands.

I have commented on our bilateral and multilateral programmes. I should also refer to our programmes in support of research and non-governmental organizations. Here again I would see increases over the coming years in the level of our support to these activities. These organizations are playing an important role in helping the developing countries. They can frequently do so in a more flexible and experimental way than government agencies. Research is also important. We intend to continue to support the activities of the International Development Research Centre as well as other research institutes located in the developing countries themselves.

All Canadians will welcome the steady increase in the size of our development assistance programme. But I hope I have made clear that to achieve a steady increase in the amounts we devote to aid -- however welcome -- is only the beginning of the answer. It is all too easy in international discussions to focus on the volume of aid simply because volume is easy to talk about. To do so ignores those problems of quality to which I referred earlier. We have a good way to go yet before we find the best means for applying Canadian resources to the problems of the developing countries.

In future, I judge that all groups in Canada concerned with aid -- including this Committee -- will want to proceed on the basis that increasing the volume of our aid is no longer the real question. There can be argument about how fast we are moving. But the fact is that ever larger funds are being committed every year. It will be easier to be satisfied with this trend if we are sure we have devised programmes which guarantee these funds are being effectively spent. This should be the test of the success of our aid policy, rather than whether we succeed in meeting some arbitrary target.