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NOTES FOR AN ADDRESS
BY THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
DR. MARK MACGUIGAN,
TO THE SOCIETY FOR
INTERNATIONAL DEVELOPMENT'S
NORTH/SOUTH ROUND TABLE,
OTTAWA,
NOVEMBER 15, 1980

Good evening, friends.

It is an honour for me to be the host of this occasion. For several reasons.

You are very distinguished guests. I identify strongly with the purposes of your business. The Government I represent cares strongly about your conclusions.

I am able to say that the objects of your concern - North/South relations, global accommodation, international equity - are at the forefront of the Canadian Government's approach in international affairs. I am also able to say that as a Government, we are committed to the imperatives which motivate the North/South Round Table.

I acknowledge that as the Foreign Minister of the country playing host to an assembly of such high purpose as yours, I could hardly be expected to say any less. But I hope you will take it at face value if I stress that we mean it.

We are committed to the imperative that global solutions have to be found, urgently, to our obvious problems, and to the notion that, as a participant in the process, the Canadian Government has a role of creative responsibility to play.

This is easily said. Far less easily done. For the dialogue which is supposed to apply to your deliberations, and to the world's North/South agenda, is clouded and confused.

On certain aspects of global relations, responsibilities are clear. The responsibility, for example, for the industrialized countries, even in time of economic difficulty, to increase their aid levels to the developing countries whose situations are vastly more hard-pressed. Our Government has done this. We've put our aid budget back on the track of real growth. This is important. It is important to the governments, and through them, the peoples we assist. It also attests to the bona fides of the commitment which the Canadian people is, through its Parliament, making.

I disagree strongly with those who maintain that aid doesn't really aid. I have never heard this argument from representatives of the developing countries and peoples who benefit from assistance. Nor, for that matter, have I heard it from countries or governments which have a record of excellence in giving development assistance. I reject it.

But we all recognize, I think, that aid is not the essential point in the North/South agenda.

The essential point is that of economic opportunity itself. For decades now, the extension of economic opportunity has been seen by development economists as a function of structural reform. This is true, whatever value one attaches to the notion of reform.

It is surprising, however, that it is not generally recognized that we are talking about an inherently political issue.

It is a question not just of economic process, of mechanism, but is indeed one of power. Of the global sharing of power.

This should not conjure up images of power in the standard historical and symbolical sense - of armies and navies, of conquest and of spoils, though I know that the notion runs strong that our present international system is in a sense the inheritance from an era of colonial conquest and spoils.

That one has been argued endlessly. I suggest we abandon the argument. The point, the essential political point, is to determine if the international economic system really works to the global advantage. There are clear signs it does not.

If it sustains poverty to the point where a billion people live on the margin of human existence, it does not.

If a dozen, two dozen, perhaps more, recently dynamic, growing economies have had their promise crumpled by ballooning financial problems, it does not.

And if the industrialized economies are themselves beset by uncertainty and confusion, it does not.

There is an erosion of confidence in the international economic process. The feeling is widespread that the international institutions are not working to common advantage and purpose. These, ladies and gentlemen, are fundamentally political problems.

The solutions have to be developed at the political level.

Because that's where choices are made. In fact, they are the kind of choices we, in government, make daily.

Let me assert at the outset that there is a world of difference between the experience of a national government office-holder responsible to a set of diverse, competing, interests and that of a committed representative of a compelling cause. I have been both - and, in all honesty, I try, as do my colleagues, to remain both.

Thank God for the committed exponents of the right causes! Without them, the causes wouldn't be advanced.

But the two experiences are of different orders. I won't say which is the higher. I know what the public is said to think of politicians. But I know also which has the greater order of difficulty. It's necessarily the one where the choices are the hardest.

At the national political level, at least in the industrialized democracies, the choices in the North/South area are not clear.

In simplest terms, they seem to be between "us" and "others", between costs now and possible benefits later. But in a broader perspective, the choices can be seen to be vastly more complex, involving a mixture of costs and benefits. The direction individual governments should take needs clearer understanding at the international level.

I personally think that the present state of affairs in North/South relations has a lot to do with the absence of clarity about what we are attempting to do politically on the international level. There is a generally agreed concept of a New International Economic Order but only in what I consider to be notional and generalized terms of abstractions. When it comes to translating these into direct arrangements, the negotiating process fails us.

Much has been said about the nature of the negotiating process, about the need to find ways to negotiate on a less generalized level. I won't elaborate on this except to say that I understand the political dynamic involved in developing country solidarity for negotiating purposes. But to the extent that it obscures economic realities, it is part of our political problem.

Negotiated incrementalism is the result. At best.

If the incremental changes were stages in a dynamic, evolutionary process, it makes sense. But if it is the result of patch-work effort under intense short-term pressure in conditions of very little give or shared understanding on the real issues, then I suggest that it is poor political process.

I am not arguing for overall, sweeping change, today or even tomorrow. But I am arguing for a long-term political view of the choices we have to make.

Bob McNamara had this perception at the basis of the observations he made which ultimately led to the creation of the Brandt Commission.

We must have a shared, serious view, a political view, of global needs, and particularly of the long-term needs of developing countries, both overall and specific. We must measure these needs against the effectiveness of the institutions we have in place. We need to look at the performance and contributions of these institutions in terms of the sustained needs of the developed countries. We have to be able to look at the whole situation, in a long term, and from the political viewpoint of the equitable sharing of power. When I speak of international institutions, I am really speaking of the access to tools. The institutional contributions can be measured not only in terms of their effectiveness in promoting the interests of all countries concerned but also as instruments in assisting their access to tools - to capital, to technology, to markets.

The point is that we need a long view. One which indicates our choices at the international level, and choice at the national level. One from which we can work backward in technique. This would be an informing framework for political choice. Since choices can only be made at the political level, the framework needs to be developed and agreed at the political level.

If we agree that this is the view we need, we can probably as readily agree that it's one which our political circumstances have great difficulty in providing. In the democratic process, the long view is often obscured by the preferences of the moment. It's not a difficulty easily overcome since the democratic process is of course the essence of our political system. But it is often said that it is a risky proposition for elected politicians to try to deal with the future at all - indeed, some hold that a politician's own future is best assured by his personal commitment to retrieving the past.

This is possibly because we're scared by the circumstances of the present. But unless we act on its behalf, the future is likely to be a lot worse.

Hence, we had better now agree politically that there is one political commitment of overriding importance we need to take - that there will be a sane, equitable, and productive future. We need political recognition that we cannot continue as we are doing now.

For this recognition to take effect at the national level, we need not only public support in the developed countries, but also international understandings among national political leaders.

In Canada, we have perhaps only recently really recognized the vital role in this process of the public itself. It is not elite opinion, at round tables of experts, where we most need to work, but at the community level, in town halls, where the bulk of the population is centred. I accept this as a task of political leadership nationally. But it is one where success will be much more easily obtained if there are political understandings internationally.

Last week I attended a meeting in Vienna of foreign ministers who gathered to determine if North/South Summit meetings of political leaders of various countries can assist the political process I am speaking of. To see if such meetings could vitalize the global negotiating process. We concluded they could. Such a Summit meeting will be held early June. As the idea for a North/South Summit in fact originated with the North/South Round Table, I congratulate you on its acceptance.

Late in the summer, the leaders of the principal industrialized countries will meet, here in Ottawa, with an agenda which will emphasize the role of their countries in the global power-sharing process.

In September, the Commonwealth Heads of Government will meet in Australia.

These meetings, and others, will give international political leadership the chances in 1981 to come to terms with the broad political sweep of North/South and global issues. It is our hope that they will permit political leaders to understand each other, and the nature of the challenge the future represents, in a way not available at international negotiating meetings of a more formal, conventional character. But a main purpose will be to encourage progress on the international agenda, and notably in the Global Negotiations themselves.

I feel that some longer-term questions in particular can be advanced.

On institutions, I think that the imperatives of power-sharing need a longer look at the political level. How can the interests of all countries be better served by the specialized agencies of the United Nations' system? What are the specific needs of both developed and the various kinds of developing countries? Can the specific needs of developing countries be better addressed by the older agencies without altering their essential useful functions? If not, how else can we address those needs?

On longer-term financing needs of developing countries, certainly one of the most critical basic problems, political leadership needs to acknowledge the need for structural adjustment financing for countries whose balance of payments deficits are becoming chronic, and of the role the surplus revenue countries can play in the easing of these difficulties through recycling. These are large issues - they are basic to world politics; their resolution is going to require political accommodation.

With regard to aid itself, the world community has really got to begin to face realities. The issue of automaticity of aid flows is going to have to begin to receive political scrutiny. There is no escaping the logic of this notion, at least multilaterally. As an idea, its time has come. It should begin to receive the sort of analysis of ways and means its importance deserves, so that systems for its realisation can be developed in time. This requires political understanding on all sides.

Energy. Is there an issue more politically central to the development prospects of the South, not to mention global geopolitics? Again, there will be have to be political accommodation before any significant progress is made on the issues.

Trade - still vital to development prospects, still central to political circumstances in the industrialized countries, still in need of understandings at the international political level. This is the area where long-term benefits and short-term costs are most visibly in conflict, where the need for a clearer sense of global development prospects is perhaps most pertinent. Some sort of global undertaking on the political level about long-term structural adjustment to promote the dynamics of comparative advantage in the interests of all of our economies seems to me to be a vital political step which the Summit process next year might well engage.

Other long-term issues of a vital nature - food production in developing countries, access to technology and an understanding of its impact on societies, for example - also need to be the focus of understanding at the political level. As negotiating issues, it seems to me they're getting nowhere very fast. As political issues of global importance, it may be that a better long-term grasp of the overall policy aspects involved will disengage the system.

Ladies and Gentlemen, in order for the North/South accommodation process to proceed, we have to recognize, as political leaders, that we are dealing with the most significant political questions of our time. The issue of power-sharing - in the interests of global economic opportunities - should be seen as a political issue and dealt with at the political level by political leaders. This is the thrust of the Brandt Report and we accept its wisdom.

It is our intention here that Canada will contribute actively to that process, as mentioned at the outset of this presentation. Prime Minister Trudeau, who had to be away at the time of your meeting, hopes himself to be able to make a personal contribution to the advancement of the dialogue. The Deputy Prime Minister, Minister of Finance, and North/South statesman Allan MacEachen, who, with Dr. Perez-Guerrero, whose presence here tonight I am honoured to acknowledge, was co-chairman of Conference on International Economic Cooperation, will address some of the issues in meeting with you tomorrow. I am happy to have been here tonight to deal with the overall political commitment involved. It has been an honour.

When I met Mr. Willy Brandt this week, he spoke to me with great animation of the successful efforts my colleagues and I had made in Vienna and of the growing group of people throughout the world who are whole-heartedly engaged in the North/South Dialogue. How fundamentally necessary this is for humanity was expressed in concluding words of the Brandt report:

"Whatever their differences and however profound, there is a mutuality of interest between North and South. The fate of both is intimately connected. The search for solutions is not an act of benevolence but a condition of mutual survival".

Canada has often been written about as a nation characterized by the notion and the reality of survival. It is my fervent hope that, with a broadening of our traditional perspectives, our Canadian instinct for survival may serve to contribute to the survival of the whole world.

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I wish you good progress in your efforts. We take them as seriously as we take the problems to which they are directed.

Thank you and good night.

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