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NOTES FOR A SPEECH BY
THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS OF CANADA,
DR. MARK MACGUIGAN,
TO THE ELEVENTH SPECIAL
SESSION OF THE UNITED NATIONS
GENERAL ASSEMBLY, NEW YORK,
AUGUST 26, 1980

"DEVELOPMENT: A GLOBAL
SEARCH FOR THE FUTURE"

We are here to consider our future - not just the future of the developing world, but the future of all of us, developed and developing countries together. There can be no real peace in the world so long as almost a billion people live in the helplessness of absolute poverty. There can be no enduring stability so long as so many nations remain dangerously vulnerable to economic uncertainty. There can be no meaningful security so long as the poorer countries remain unable to meet the development aspirations of their people.

In candour, we have to admit that too often we have permitted ourselves, as governments, to become caught up in the short-term difficulties of our individual political and economic situations, to the neglect of longer-term global objectives. Too many of us have viewed international development as a matter of charity, rather than recognizing that progress and improvement in one part of this interdependent world benefits everyone.

I propose to exercise the candour I spoke of not only on behalf of the Canadians I represent, but also to them.

For example the adaptation of the world trade and payments system to promote accelerated growth in developing countries is to the benefit of all. To attempt to preserve entrenched privilege is by far the costliest approach in anything but the shortest term, compounding our problems for the future and resulting in further insecurity and instability.

The circumstances in which this Special Session takes place are not those which prevailed five years ago when the Seventh Special Session achieved agreement on such important overall goals as trade, resources transfer, technology and food. At that time we believed that we had enhanced our sensitivity to the problems of the developing countries and to our interdependence as nations. But in the intervening period we have made insufficient progress in moving towards our goals or in resolving North/South problems. A number of explanations have been offered for this lack of action, some valid, others specious.

In a number of the industrialized countries, for example, the blame has been laid on economic recession and inflation. This, however, ignores some rather basic truths. We have to admit that although all industrialized countries have suffered severe economic problems, not all have neglected their obligations to the developing world. Such an excuse also overlooks the possibility that our failure to achieve more balanced global development may itself have contributed in no small measure to the factors that have fed the recession.

There also remain so far unfulfilled hopes for tangible evidence of the concern of the countries of the Eastern Bloc for Third World development. Their excuses for failing to do more do not ring true.

It has been said that military expenditures have made a greater development effort impossible. This epitomizes the absurdity of a situation in which the nations of the world last year spent more than \$450 billions on armaments and only \$30 billions on official aid to developing countries.

Since the last major price increase for petroleum, there has been relatively little recycling of OPEC revenues to developing countries despite the amassing of sizeable surpluses. We realize that some oil exporting countries have encountered difficulties as a result of rising costs in other areas of the world. But surely this suggests the wisdom of a greater involvement by OPEC, as a group, in efforts to improve our international financial system.

Finally, a number of developing countries must themselves accept a share of the responsibility. It is difficult for developed countries to generate public support for increased aid when some developing countries have failed to build structures and programs which can ensure an adequate level of social justice in the distribution of the benefits that result from international aid.

In fairness, however, it is also true that certain economic and political developments have impeded our ability to implement the objectives agreed to five years ago by both developed and developing countries. In the developed countries the combined effects of economic stagnation and inflation have persisted to a degree we could not then foresee. The impact of this on developing countries' goals has been severe, as has the burden of price increase on petroleum-importing developing countries. Both national and international economies have also had to absorb the costs of increasing waves of refugees in various parts of the world. This could scarcely have been foreseen five years ago.

I also believe that we have been impeded by our use of unwieldy methods of negotiating, in global forums, the complex issues affecting the international development process. In that regard, Canada feels that the methods we used five years ago to reach general global agreements are not necessarily appropriate today. At that time, we were attempting to achieve comprehensive and fairly generalized

agreements on a number of broad policy objectives. Today we are called on to translate those generalized agreements into concrete economic results. As a result, different methods of negotiation need to be found--methods which take account, for example, of the development prospects of individual countries, of the situation of individual countries as exporters or importers of energy, as exporters or importers of manufactured products, as producers or consumers of commodities, and of capacities to achieve greater self-sufficiency in food. Canada will, therefore, do its utmost in the forthcoming negotiations to go beyond generalized approaches and into the specific opportunities each area of consideration offers.

Because all of the subjects proposed for the agenda for the global negotiations cannot be simultaneously examined, it is essential that we select the most urgent for intensive consideration. Let me briefly review a number of key problems.

The most compelling of our challenges remains the plight of the world's poorest people, almost a billion of whom live on the borderline of human existence. This is unacceptable and intolerable to the global conscience. We must ensure that they have access to the most fundamental of human requirements: food, shelter, health care, sanitation, clean water, education -- things which all humans have a right to expect. The draft of the International Development Strategy identifies qualitative goals for these requirements to which we all subscribe: to prolong life expectancy, to end illiteracy, to enhance health standards, to improve nutrition. But there must also be quantitative goals for the poorest countries. They need material assistance, and of necessity it must come from those countries which are richer. To launch such a war on world poverty, we will need widespread public awareness of the necessity of these goals -- a subject which I will touch on later in my remarks.

For many other developing countries, the higher the levels of development, the more complex the problems become -- problems considered in the draft agenda for global negotiations. Again, however, generalized proposals will make little impact on the real economic situations that prevail. For that reason, Canada encourages the use of the relevant specialized forums of the United Nations system in the global negotiations. In that way, we can explore in depth the questions of trade, finance and food so that the full force of international instruments can be applied to help the developing countries.

Nowhere does the importance of predictability apply more than in the fields of commodities and raw materials. While the establishment of the Common Fund represents a major achievement in this regard, it does not in itself solve our commodity trading problems. We need also to focus on the specific problems of individual commodities. Although industrial diversification may help avoid economic dependence on the export earnings of one or a few commodities, it is a complex process. It depends on more assured access to finance, to technology, to markets, and on astute management in making difficult choices. It is a long-term process which requires perfecting.

In the past five years, the gap in the availability of financing has widened dramatically and dangerously. In particular, the impact of increased oil prices on the finances of developing countries has caused severe dislocations. In such a situation, the smooth recycling of oil revenues will be to the benefit of everyone, both importers and exporters of oil. In this process, I believe we should encourage the adaptation of the international lending institutions to the needs of both oil exporters and importers. If necessary, we could explore new approaches. We could, for example, consider altering the gearing ratio of the World Bank to enable it to mobilize additional resources, while retaining its present capital base.

In adapting international institutions to meet new needs, we should not ignore the vital roles which they are already able to play. It is encouraging that the IMF is assuming an increased role in the recycling process. This is an important development, one that could be crucial for all countries who have serious deficit problems, and particularly the developing countries. The increased flexibility demonstrated by the IMF recently, notably through the relaxation of lending limits and adjustment time, is noteworthy. These recent moves, coupled with the increased coordination between the World Bank and the Fund in their programs to assist countries with serious balance of payments difficulties, are trends which Canada will strive to promote.

We must also intensify the consultation process between oil exporters and importers. We can understand why exporting countries do not want to make long-term commitments for their oil without receiving counterpart assurances about resolving their own economic and financial

concerns. But we must continue to search for methods of improving predictability in our system, or it will cease to function. Concomitantly, we must intensify our search for new and alternative energy sources, particularly renewable sources.

Access to technology -- along with financing and human resources -- is one of the basic tools of development. But in sharing technology, we should search for more imaginative approaches. Bilateral, trilateral or regional cooperation offer promise. Canada's own experience in this regard may be of interest to Third World countries, since we are both importers of technology and a host country to trans-national corporations in this field. My country hopes we will have the opportunity to extend our activities in promoting joint ventures with developing countries, based particularly on technology associated with resource-based, developing economies.

Access to markets is of great importance to developing countries. We hope that these countries will make better use of the benefits which resulted from the Tokyo Round of trade negotiations. At the same time, the developed countries have to resist pressures for protectionist measures. Instead, they should look hard at facilitating access to their markets of imports from developing countries -- a step which can ultimately benefit their own consumers. Here again, some structural adjustments will be needed, and public opinion must be helped to recognize that the expansion of the economies of developing countries in the long run is in the direct interest of the developed countries.

Food security is another major issue on the agenda for global negotiations. If we do nothing, the combined food deficit of the developing countries will have increased between three- and four-fold by 1990. We must reach agreement on ways of achieving increased food productivity within the developing countries, and adequate population policies.

I have already referred to the level of world expenditures on armaments. As the Brandt Commission so dramatically illustrated, the build-up of arms is a threat to more than our safety and security. The enormous expenditures directed to their manufacture and sale pitifully dwarf the funds made available for development and economic justice in the world. And it may well be that the resulting deprivation will give rise to fears even more destructive than those arising from the deprivation of civil and political rights.

Before closing, I wish to remark generally on Canada's perception of its role both in this Special Session and in the important negotiating process which lies ahead. In many ways, our national history and culture--and our relative youth--have given us a consciousness of many of the realities of both North and South. Nature has blessed us with an abundance of resources that has enabled us to take a place as one of the world's more industrialized nations. But we remain a heavy exporter of natural resources and an importer of capital and technology, and hence we share many of the concerns of the developing countries about the operation of the international system in these areas. Canadians know that our relatively recent emergence from colonial status could well have proven to be long and costly had we not had available to us the resources on which to build a stable society for a free and independent people. Today, we feel we owe the same opportunities to those states of the world less well endowed by nature or history, so that they may have access to the resources necessary for their orderly growth and social progress.

At the outset, I said that I would direct my candour to my fellow countrymen as well as on their behalf. We have not been fully aware, they and I, of the depths and intensity of human misery and need, and we therefore have not framed our policies accordingly. I pledge myself to become aware and to help my fellow Canadians become aware of the needs of our fellow citizens of the earth. I am confident that, granted awareness, we will rise to the challenge. I am convinced that this campaign for awareness will first sensitive and then mobilize public opinion in my country to support policies necessary for Canada's full participation in the solution of these problems. If others in the North were to take up the same cause, we could guide the course of history.

My government, since its election earlier this year, has been actively reviewing its policies on North/South issues and looking for new approaches. In an effort to achieve all-party consensus, we have also established a Parliamentary Task Force on North/South Relations whose members are present here today. I believe this Task Force can make an important contribution in helping to identify policy options and in mustering public support.

In our campaign for awareness in Canada, I intend to appeal particularly to the altruism and idealism of youth, who in any event have the most at stake. We shall also create a Futures Secretariat under the Canadian

International Development Agency, with the primary mandate presenting activities to inform and involve our citizens, at many levels, about and in the great issues with which we have to grapple here. While my government is prepared to bear the major part of the cost of this initiative, we hope that the business community, universities, professional institutions and voluntary association will seize the opportunity to cooperate in this endeavour.

The initiative need not be confined to Canada. We are prepared to work with developed and developing countries to create a more hospitable climate for the kind of international action that will be necessary if we are to rid our world of poverty and to create a better life for every human being.

As well, we shall make every effort to ensure that important North/South problems are given greater attention and urgent consideration internationally. In the councils of the industrial countries we intend to be outspoken. In negotiations with the South we shall do all we can to promote practical solutions to pressing problems. In response to the proposal of the Brandt Commission for a summit meeting on North/South issues, we have made it known that we would support such a meeting if it commanded international support and was intended not for rhetorical exchanges but rather to focus the perspective of Heads of Government and to reinforce the global negotiations. The hosting by Canada in 1981 of the Economic Summit of seven industrial countries will also give us the opportunity, which was agreed at the Venice Summit, to make the problems of developing countries the primary subject of attention.

In short, Mr. President, we do not intend to shun our responsibility, and we pray that others will not shun theirs. If we are to survive the coming decades, to avoid growing recrimination and hostility, to rid our world of poverty and economic injustice and to create a better life for every human person, the nations of the world must become united--United Nations not merely in name but in genuine cooperation towards mutually beneficial ends. Let us initiate that process now at this Session.