

STATEMENT DISCOURS



NOTES FOR A STATEMENT
BY THE SECRETARY OF
STATE FOR EXTERNAL AFFAIRS,
THE HONOURABLE
ALLAN J. MacEACHEN,
AT THE O.E.C.D.
MINISTERIAL MEETING,
PARIS, JUNE 21, 1976

"NORTH-SOUTH DIALOGUE"

Mr. Chairman,

I am very pleased to be given the opportunity to open this important discussion with my colleagues in the Organization for Economic Co-operation and Development (OECD) on the North-South dialogue.

This is a question which, as you know, has been very much at the centre of my attention during the past several months. 1976 is a particularly significant year for this dialogue because of the United Nations Conference on Trade and Development (UNCTAD IV) which recently concluded its work in Nairobi, and because of the Conference on International Economic Co-operation being held here in Paris. UNCTAD IV was an important test of the political will of developed and developing countries to pursue substantive issues in the context of an established North-South dialogue. Some developing countries found that it was disappointing that proposals put forward by the United States of America were not supported for further consideration. However, in our view the results were satisfactory in that they constituted forward steps in certain areas, thus permitting the continuation of the North-South dialogue in an atmosphere of understanding, and, on balance, UNCTAD IV was more successful than many people had anticipated.

The decisions taken in Nairobi were primarily of a political and procedural nature. The issues dealt with there are perceived by developing countries as being highly political in nature. It is extremely important that the political will to reach compromise and to avoid a return to confrontation continue to play a role in the implementation of the results of UNCTAD IV. There is still considerable scepticism among developing countries that substantive progress will be made. We must avoid damaging our credibility in the crucial period ahead which will see the follow-up to the results of UNCTAD IV.

In part, as a result of the Nairobi meeting, the Conference on International and Economic Co-operation (CIEC) can continue to play a key role in the North-South dialogue. There is a unique opportunity during the next few months for CIEC to work for realistic progress by examining issues, by stimulating action in other international bodies, and by creating a programme for co-operation for both developed and developing countries. This opportunity should not be lost. CIEC has provided in its first and analytical phase a useful forum for detailed discussion on a wide range of economic problems, including energy, of concern to both developing and industrialized countries. This work has provided a good

base for progress in the next six months. There has been close co-operation among the developed countries which constitute the group of eight at the conference. Some advances have been made in defining specific areas of concentration for the work program of CIEC, with the aim of arriving at a concrete outcome at the Ministerial Meeting next December. More progress must be achieved in this area if we are to succeed; and time is becoming short. The July meetings of the four commissions will have an important role to play -- that of defining their work programmes for the second phase of the conference.

We are now reaching a delicate period in the North-South dialogue in CIEC -- a period of transition between the first, analytical phase and the second, action-oriented phase. At the meeting last week of CIEC co-chairmen there was broad agreement on launching the action-oriented phase of the conference. And here I must raise one point which concerns me. I see the possibility of misunderstanding or ambiguity regarding the word 'action'. The challenge in the second phase of CIEC will be to define what action we are talking about, and what action will be acceptable to all sides.

The industrialized countries must work together to ensure that the action-oriented phase indeed produces concrete results. We must do all we can at this OECD Ministerial Meeting, and at future meetings dealing with this issue, to preserve a good climate for the North-South dialogue -- in Paris and elsewhere. In substantive terms, we must break the back of some of the basic issues on the table, although at present it is clearly premature to indicate what kinds of solutions may eventually emerge. This means that we will all have to come to grips with some difficult problems in the next six months -- for example, the indebtedness of developing countries, and a balanced approach to commodities.

The industrialized countries, I believe, must work together in close consultation as the work of the Conference progresses, but I should stress that our unity as a group is directly related to the prospects for real movement in our respective positions. It would be very difficult to remain united as a group if our positions were static or retreating.

As co-chairman of CIEC, I would like to be assured of the real commitment of developed countries to positive action toward international economic co-operation during the second half of the conference. We are committed to an action-oriented phase. Foot-dragging could lead to the break-down of the North-South dialogue. When weighing the costs of action on the issues before us, we must also weigh the costs of inaction.

The CIEC is a new departure in relations between developed and developing countries. It requires a new approach by us. Instead of being on the defensive, we must be positive and innovative in our positions on the issues in Paris. In our view, this forum offers us the best hope at present for economic and political co-operation between developed and developing countries. Our interests lie in orderly adjustments in international economic relations in maintaining a sound and effective trade and payments system which serves the interests of all countries.

The December Ministerial meeting of CIEC will be a moment of truth, when political decisions will have to be made on important economic issues. We should all be aiming at a program for co-operation to come out of the December Ministerial meeting, which would include different types of decisions, levels of commitment, and directions for the future for a selected range of issues.

When CIEC comes to an end, even with the progress which we hope to achieve it is clear that serious problems will continue to exist. And the dialogue between North and South, rich and poor, will have to continue through the years ahead. The changing relationship between North and South is not transitory. It has become a permanent dynamic in the international system, a reality and a challenge which all of us must face squarely, now and in the future.

Thank you, Mr. Chairman.