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TEXT OF A STATEMENT BY
THE HONOURABLE PAUL MARTIN,
LEADER OF THE GOVERNMENT IN THE SENATE
AND HEAD OF THE CANADIAN DELEGATION
TO THE ANNUAL MEETING OF THE
BOARD OF GOVERNORS OF THE
INTER-AMERICAN DEVELOPMENT BANK,
QUITO, ECUADOR.

DEPARTMENT OF EXTERNAL AFFAIRS
MINISTÈRE DES AFFAIRES EXTÉRIEURES

Mr. Chairman,

My first words must be to congratulate you on your election to preside over our proceedings. I would also like, through you, to extend to the Government of Ecuador the appreciation of my delegation for the warm reception and for the many courtesies that are being extended to us.

There is a sense of symbolism in our meeting in Quito, the city which almost straddles the Equator that has given its name to our host country. According to the geographers, the Equator is the great divide between the northern and the southern hemispheres. It not only divides the two hemispheres but it divides them equally. Historical experience tells us otherwise. Along much of its circumference, the Equator has regrettably become the world's poverty line. It divides a northern sphere of affluence from a southern sphere of under-development. It is for us, in organs like the Inter-American Development Bank, to seek to restore to the Equator the equalizing function which the geographers have attributed to it.

This is not the beginning of Canada's association with the Bank. That association, in fact, goes back to 1964 when the Bank agreed to administer long-term development loans on Canada's behalf. Some \$74 million has been allocated under this arrangement in the intervening eight years. We have found the experience of our association with the Bank to be a constructive one. We believe that the Bank has done likewise. It is a measure of our confidence in the Bank and the confidence which the members of the Bank have placed in Canada that we are speaking here today for the first time by right of full membership. As one who has for many years advocated the course of closer association between Canada and the hemispheric community, I am particularly honoured that it should have fallen to me to be Canada's first spokesman in this distinguished assembly.

Canada's accession to full membership in the Inter-American Development Bank is not a matter of accident. It represents, on the contrary, the result of a conscious and deliberate reorientation of Canada's foreign policy. It was not envisaged when that policy was first formulated some two years ago. But the policy developed a momentum of its own, and we found that our intended involvement in the concerns of the hemisphere was likely to lack credibility so long as Canada was not seen to share fully in the task of development which preoccupies our neighbours in the hemisphere to the virtual exclusion of all others. Accordingly we regard our membership in the Bank as a milestone on the road to closer co-operation with the countries of Latin America and the Caribbean.

Canada's policy towards the hemisphere represents a new departure. Historically, Canadians have tended to look eastward across the Atlantic and westward towards the Pacific. Our cultural and linguistic origins lie in Europe as do yours. Nationally, we have been preoccupied by the exigencies of forging political institutions and economic patterns that will serve as a framework for our confederation from the Atlantic to the Pacific.

Of course, we have always had a North American perspective. It could hardly be otherwise. There are bonds of history and geography that link us to our neighbour to the south. There is also a broad range of objectives which we share both as continental neighbours and in the international environment. And there is a vast array of links which transcend the boundary that divides Canada and the United States as sovereign nations. Nevertheless we lay claim to a distinct national identity and our policies are designed to reflect Canada's distinct position and perspectives in the world.

Canada has also maintained traditional ties with the Caribbean. These began as ties of trade. They have evolved, within the Commonwealth association, into a genuine community of interest. We are delighted to find our Caribbean friends increasingly identifying their interests with the larger hemispheric community.

That, Mr. Chairman, is also the direction of the policy which Canada has decided to pursue. Canada's changing outlook on Latin America was explained succinctly in "Foreign Policy for Canadians", the policy review which we undertook to chart new courses for the nineteen seventies and beyond. "The mainspring of the Government's policy", as that document put it, "is the proposition that, between Canada and the Latin American countries as neighbours in one hemisphere, between Canada and regional groupings of such countries and between Canadians and Latin Americans on a people-to-people basis, there are expanding possibilities for mutual benefits, especially in terms of economic growth, enhancement of the quality of life and promotion of social justice between different parts of the hemisphere."

Canada's decision to draw closer to Latin America was not taken in the abstract. It reflects changing concepts of Canada's interests in the world. But it also reflects changes in the Latin American scene itself.

In Latin America as elsewhere old myths are giving way to new realities. Change itself is bound to be a continuing ingredient of the Latin American reality. As the distinguished President of the Bank put it in his impressive address to the Council on Foreign Relations last November, "change, sometimes startling, often upsetting, ... is likely to be the one constant we can look forward to in the coming decade".

One aspect of change to which the President referred was the pervasive change in development consciousness in the hemisphere. Already the Latin American countries collectively have a respectable development record behind them. Their growth rates in the second half of the nineteen sixties exceeded those registered in the industrialized countries taken as a whole. More than that, nine-tenths of the resources that went to finance Latin American development in that period had their origin in

domestic savings. This is not to understate the problems that remain. But if the commitment to development, to economic growth tempered by social justice, that has so clearly taken root in Latin America carries over into the nineteen seventies, there is no reason why our Latin American friends should not face the future with continuing confidence.

While united in their response to the challenge of development, the countries of Latin America will differ in the prescriptions they see as best calculated to ensure success. This concept of a diversity of means strengthening a unity of ends is one which is close to the Canadian national experience. In the larger aggregation of the Latin American sub-continent, each country will want to contribute to the common objective according to its own particular genius and by taking account of its own particular conditions. Even so, it is clear that the variety of political models which is emerging in Latin America will not stand in the way of regional and sub-regional groupings based on the identification of common interests. Canada has already been able to give tangible expression of its support for one such grouping, the Andean Pact, and was privileged to lend its affirmative voice to the accession of Columbia and Venezuela to the Caribbean Development Bank.

Canada's new policy towards Latin America has two facets. We are determined to strengthen our relations with Latin American countries bilaterally. This we are now doing within the measure of our capacities. We also decided systematically to broaden the coverage and enhance the quality of our participation in the activities of various inter-American organizations. As a first priority, we thought it right to concentrate on those inter-American organizations which have particular relevance to Canadian interests and to whose work Canada is in a position to make a distinctive contribution.

The multilateral facet of our Latin American policy is well on the way to realization. A formal link with the Organization of American States has been established for the first time by virtue of Canada's admission to Permanent Observer status. A Canadian Permanent Observer with the rank of Ambassador has been accredited to the OAS within the past fortnight. He is expected to take up his assignment by the summer. We regard this association with the matrix of the inter-American system as a key element in the implementation of our hemispheric policy.

Canada has become a full member of the Pan American Health Organization and we shall endeavour to play an active and constructive part in its programmes. We have applied for full membership in the Inter-American Institute of Agricultural Sciences and we hope that the formalities involved in our application will soon be completed. We are also exploring the prospects of membership in the Inter-American Indian Institute. We look upon the work of all these organizations as contributing

in substantial measure to the larger process of hemispheric development.

Apart from the support we are giving and intend to give to the activities of the inter-American institutions concerned with development in the hemisphere, we are concerned that Canadians, too, should become involved in this new dimension of our foreign policy. To this end, we have brought into being a bilateral programme of technical assistance to Latin America. In the context of this programme we have identified certain areas -- agriculture, fisheries, forestry, education and community development -- which have been recommended to us as carrying a high priority and in which we like to think that Canadians have a particular capacity to help.

We have also decided to increase the grants we are making to non-governmental organizations which have chosen to work in this part of the Third World. These organizations include religious orders with a long and distinguished tradition of service in Latin America and the Canadian University Service Overseas which has provided a context of international commitment for the more than one thousand young Canadians at present serving overseas. Canadians who have lived and worked in the countries of the hemisphere under the auspices of these non-governmental organizations express in tangible and human terms our concern for the people of this region and our desire to be associated with them as friends and partners. This association also adds to Canadian understanding of the achievements and aspirations of our hemispheric neighbours and may be expected, over the years, to provide a strong underpinning for the recent reorientation of Canada's foreign policy.

All these initiatives notwithstanding, there was an important gap remaining in our relationship with the region. Canada's decision to seek full membership in the Inter-American Development Bank reflects our determination to close that gap. It is based on our conviction that the Bank is an important instrument for improving the prospects of growth and the quality of life in this region, and in assisting its members to develop their resources, their economies, and their societies. That conviction has been formed as a result of our association with the Bank over the past eight years. It has been buttressed by the strong and imaginative leadership which has been given to the Bank's operations by our distinguished President and his predecessor and by the accumulating evidence of the Bank's capacity to respond flexibly to the changing challenges confronting its members individually and the hemispheric community as a whole. We consider Canada's accession to full membership as the culmination of our search for a more practical and effective form of involvement in the problems of the hemisphere than was provided by our previous association with the Bank.

Canada is not classed as a developing country and we do not pretend to fall in that category. But there are resources still to be unlocked in Canada and there are new frontiers still to be opened up. There are problems we have encountered in the management of our resources and in the shaping of our national economic environment which may well not be unique to Canada. In joining the Bank we shall be glad to put our experience at the disposal of our partners without endeavouring to export Canadian prescriptions or solutions. We intend to exercise our responsibility in an objective manner. The dictates of sound development will be uppermost in our minds. Our goal will be to assist the Bank in maintaining its role as an effective development institution and to enhance its capacity to serve the needs of its members. We recognize that this capacity is a function of the Bank's distinctive regional character. We are resolved to co-operate in the preservation of that character which is as much in our own interest as it is in the interest of the regional member countries.

It is now widely recognized that development and trade go hand in hand. The relationship was impressed upon me afresh when I had the privilege of representing the Canadian Government at the opening of the Third UNCTAD Conference at Santiago last month. It is a relationship which makes good sense to Canadians who rely on exports to generate nearly one-quarter of their gross national product.

Canada has endeavoured to take account of the growing need of developing countries to expand their export opportunities. I venture to say that the Canadian market is as open as the market of any other industrialized country in the world. We have urged the freeing of trade in tropical and other primary products. We also favour the substantial reduction of all barriers inhibiting world trade.

We have maintained close and mutually rewarding trading links with all the countries of the hemisphere. We have tried to ensure that our agreements with them reflect the changes that have taken place over time as we did when we negotiated a new trade agreement with Colombia last year. We participate in many of the international commodity agreements, including those regulating the trade in coffee and sugar, which are of particular interest and importance to the countries of Latin America and the Caribbean.

We are committed to the early implementation of the General Preference Scheme for the developing countries. We have also recognized that a trading pattern featuring large and persistent imbalances is a source of concern to many of our trading partners in the hemisphere. We have tried to take account of that concern by financing studies which are designed to help the countries concerned discover new trading opportunities in the Canadian market. Such studies have been prepared for the use of the

Governments of Mexico and Brazil. It is our hope that the closer association between Canada and the countries of the hemisphere that is implicit in our membership in the Bank will open up new and mutually advantageous channels for harnessing trade to the requirements of development.

The business of this Bank, Mr. Chairman, is development and it is as a partner in development that Canada has opted for the privilege of full membership. But when all is said and done, development is a means and not an end. The end, as one development economist put it more than a decade ago, is "the adventure of seeing what man can and will do when the pressure of scarcity is substantially lifted from him". It is to that end, to the full unfolding of the diverse societies represented in this organization, that we will join our efforts to those of our friends and neighbours in the hemisphere.