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MARCH 11, 1975

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NOTES FOR A STATEMENT MADE BY
THE SECRETARY OF STATE FOR EXTERNAL
AFFAIRS, THE HONOURABLE
ALLAN J. MACEachEN
TO THE
STANDING COMMITTEE FOR
EXTERNAL AFFAIRS AND NATIONAL DEFENCE
OTTAWA, TUESDAY, MARCH 11, 1975 *6*

When I appeared before this Committee on October 22 of last year, I dealt with the general framework of the Government's foreign policy and Canada's relations with her closest associates in the international arena. Consequently, I do not feel that I need say more at this time on the main thrusts of our foreign policy. Instead I wish to speak about Canada's relations with the developing countries, about the United Nations and about the Law of the Sea.

Developing countries

Canada has long had friendly relations with her Commonwealth and Francophone associates in Africa, Asia and the Caribbean. But it would be fair to say that a new phase is beginning in these relations. The Government's wish to put new emphasis on our relations with developing countries is motivated by a practical assessment of the international environment. It is not an emotional response to recent events at the United Nations and elsewhere.

Our reasons are as follows:

First, that is where the people are. Some three-quarters of the world's population live in developing countries; and people must eventually mean economic opportunities and political power.

Second, that is where much of the "action" is. Increasingly, the risks of confrontation, as evidenced by the so-called energy "crisis", are shifting towards the resource-rich areas, although both East and West continue to concentrate their forces in Europe. The international community in our view will increasingly have to deal with situations of political instability, localized conflicts and other symptoms of fundamental social change in Africa, Asia and Latin America. The current efforts of Secretary Kissinger to bring about a peaceful settlement in the Middle East underlie the point I am making. We support these efforts and are ready to help in any way we can.

Third, we believe that we will be increasingly affected - for better or for worse - by the dramatic process of political change, cultural modernization and economic development which is transforming these societies into substantial partners for Canada and other industrialized countries.

The countries of Asia, Africa and Latin America may not be as powerful as the United States, Europe or Japan. But they do have specific views and interests, which they perceive and formulate with increasing clarity at the United Nations; they already have the power to affect our daily lives. That is why we have to talk to their governments, find out what they think, brief them more fully on our own positions; that is why, among other things, I hope to visit five countries of West Africa in April of this year; and that is why we must begin to adapt our development aid to new needs and conditions. We must also consider ways and means to expand our economic relations with the Third World beyond aid; more trade, of course, but also more industrial investment, joint ventures, and transfers of technology on mutually acceptable terms.

Nor should we neglect the human and cultural dimension. Developing countries are often the repository of some of the oldest and highest cultures in the world: a repository therefore of ancient wisdom, art and literature which can be of immeasurable benefit to a young multi-cultural society like Canada.

International Economic Order

The developing countries today, even more than the industrialized world, find themselves beset by the problems of monetary instability, inflation, high food prices, and not least, sharply increased energy costs with their severe implications for balance of payments positions.

In this context, the developing countries naturally put special emphasis on trade in primary commodities. The bulk of their foreign exchange earnings are derived from the export of raw materials and agricultural products. Although the market rise in some commodity prices in recent years has been a benefit, the recent softening of commodity markets is causing developing countries to feel that they are again facing a boom-and-bust situation.

They are also interested in a whole range of other issues, notably: measures of trade liberalization which will work to their advantage; the acquisition of modern technology; changes in maritime transport; international cooperation to ensure that multi-national corporations operate consistent with their national interests; and an international monetary system that operates to facilitate their economic growth and participation in world trade.

Some of the proposals advanced by developing countries under these headings pose obvious difficulties. Not all have common support, for the interests of developing countries are not identical. It is misleading simply to equate exporter and developing country interests. Nor can we ignore the fact that consumer and producer interests are related.

Much has been done internationally to tackle these problems of the developing world. The Generalized System of Tariff Preferences, the revision of quotas in the International Monetary Fund (greatly advanced under the chairmanship of my colleague, the Honourable Member for Ottawa-Carleton), the affirmation in the Tokyo Declaration that additional benefits for developing countries would be sought in the multilateral trade negotiations are a few cases in point.

Moreover, in Canada almost all primary commodities - whether mineral or agricultural - enter our market free of duty. Indeed seventy-five percent of all developing country exports to Canada bear no import duty.

We have initiated a review of Canadian policies which affect our economic relations with developing countries. We want to see - as the international trade and payments system undergoes changes - what additional measures are appropriate to ensure that developing countries are able to derive greater advantage from international trade, investment and finance. We must seek out areas where we can cooperate to increase their rate of economic growth and reduce their vulnerability to market forces. We too would benefit from such cooperation. The developing countries are important to us as partners in an interdependent world. But I would be less than frank if I left the impression that I expect Canada to reverse her international economic policies tomorrow. These policies centre on our relations with our major trading partners. Canadian industry and labour depend for their prosperity on these partners. Whatever changes we make - and I should emphasize that there may be some difficult choices to make - must take into account these traditional ties.

Our success in this effort depends upon the vigour of the world economy. There is no more urgent development issue. When production and demand falter, all of us - developed and developing - suffer. Our aim in seeking better methods of cooperation is also to encourage steady economic growth for all countries.

United Nations

It is a truism that the United Nations reflects the concerns of governments and peoples and that because every member of the General Assembly has equal rights in that body it is the concerns of the majority of members that tend to dominate the proceedings. For some years now this majority has been made up of those states which have gained their independence since the war and which are for the most part developing countries. Two of their aims at the United Nations are to increase their share of the world's income by correcting, as they see it, the inequities of the world system of distribution of wealth, and to end the practice of race discrimination in southern

Africa. At the last session of the Assembly the situation in the Middle East also became a major concern of the majority partly because of the new wealth and prestige of the Arab members. The question I wish to raise is whether the majority has made the best use of its influence at the United Nations to bring these problems closer to solution.

At its Sixth Special Session in April 1974 the General Assembly approved resolutions prescribing a new international economic order and a programme of action in its support, despite reservations by a majority of industrialized countries, including Canada. The point I wish to emphasize is that these resolutions were not the result of negotiation between the various states involved. They represent essentially the views of the majority. The same tactic was used at the last regular session of the Assembly to limit Israel's right of reply in the debate on Palestine and to reject South Africa's credentials, thus achieving its de facto suspension from the Assembly although not from the United Nations itself. Suspension is subject to the veto in the Security Council and this was exercised by the three Western permanent members. In addition, UNESCO has taken decisions excluding Israel from its European regional group and terminating UNESCO assistance to Israel.

The upshot of these various decisions, quite apart from the consequences for the parties involved, is in our view to undermine the credibility of the United Nations in the eyes of the minority group of states, mostly from the West, who opposed them. One might conclude that in addition to a new economic order the majority of members are hoping to establish a new political order based on their ability to interpret the rules of procedure and even the Charter itself as they wish. The minority group includes those member countries which provide by far the greatest share of the United Nations' budget, as well as most of the money for the United Nations' development assistance programmes. If they were to become convinced that the organization was no longer serving legitimate purposes the consequences could be serious.

However, I do not believe the situation will move too far in this direction. Both the majority and the minority acknowledge that each has some justice on its side. For many years the West was able to control the General Assembly in its own interests. We cannot complain in principle that a new majority does the same thing today. Canada agrees with those members of the minority however who object to practices which verge on the abuse of the rules. Nor do we see any solution in the adoption of resolutions which depend for their implementation on the cooperation of all, if the wishes of the minority are ignored. We spoke against such resolutions when we thought they were unworkable or improper but we did not challenge the objective of the developing countries to bring about substantial change in the world economic order.

What we must do is find new ways of making the United Nations a centre for harmonizing the actions of nations without subverting the principles of the organization itself on the one hand or of obstructing its capacity to facilitate change in the practices of international cooperation on the other.

Law of the Sea

The next round of negotiations in the Law of the Sea Conference begins in Geneva on March 17 and runs to May 10.

I would like to set out briefly how we see the present situation, and what the prospects appear to be.

The Conference has more than 100 major items and sub-items on its agenda. All are interrelated and the balance of interests within the 138 participating states is such that final resolution of one particular issue must await progress on all other issues. This is the "package approach". No nation is prepared to make concessions or to accept compromise formulae until it is satisfied that the over-all resolution strikes an acceptable balance between its diverse interests.

However, there is a clear trend towards a three-tier concept: first, an economic zone out to 200 miles; second, an international area beyond the economic zones, reserved for the benefit of all mankind; third, the application throughout the oceanic space of sound management principles for the use and preservation of the sea.

I believe I can safely say that whether or not the Conference is altogether successful, the economic zone concept is here to stay. That is to say that within 200 miles of its coasts, a coastal state like Canada will have very substantial rights over the mineral and living resources of that zone and more extensive rights than it now possesses over marine pollution and scientific research.

But a 200-mile limit does not fully cover the Canadian case. We must obtain recognition of our rights and needs beyond that limit if we want to protect adequately our natural resources in three particular situations. A strict 200-mile limit would leave out over 400,000 square miles of continental margin, mostly on the East Coast, 10% to 15% of our fish stocks, also on the East Coast, and would leave all of our salmon unprotected during that part of their lives they spend in the open sea. We will have an uphill battle to fight on these three issues.

A second major trend has emerged in favour of establishing the international area of the oceans as a zone reserved for mankind. Almost all nations agree that the exploitation of manganese nodules, those potato-shaped rock formations which lie on the seabed at depths of 15 to 20,000 feet and which are rich in nickel, copper, cobalt and manganese, should be carried out for the benefit of the whole world and not solely for the advantage of the technologically advanced states. That is a concept which Canada wholeheartedly supports.

Unfortunately, the Conference has not gone very far beyond accepting this very basic concept. The practical implementation of the concept, that is the creation of a new international authority, has given rise to a most serious confrontation between developed and developing nations.

Both for reasons of world-wide equity and our own domestic interests as mineral producers we must do everything we can to set up a strong and economically viable international authority.

Finally, the third major trend can be expressed in terms of a growing realization by all states that the oceans must be managed in a rational manner as opposed to the laissez-faire attitudes of the past.

We hope that the Conference will endorse the Canadian concepts for protecting the marine environment as applied in the Arctic, the Gulf of St. Lawrence, the Bay of Fundy and elsewhere and will apply them universally.

What we can aim for at Geneva is substantial progress so that we will be in a position to see the precise contours of the final package and to determine the timing of the conclusion. As my colleagues and I have said repeatedly since Caracas, should the Conference fail or procrastinate, we will reassess all options and decide how best we can cope with our most urgent problems in the light of prevailing circumstances.