



CANADA

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The Permanent Mission of Canada  
to the United Nations  
at Geneva

La Mission Permanente du Canada  
auprès des Nations Unies  
à Genève

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STATEMENT BY AMBASSADOR J. ALAN BEESLEY  
BEFORE THE UNCTAD TRADE AND DEVELOPMENT BOARD  
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Mr. President,

I should like to begin by congratulating you on your election as President of the 29th Trade and Development Board in this, the 20th anniversary year of UNCTAD. I can assure you that my delegation looks forward to cooperating with you and the Bureau, as well as with the other delegations in this hall. We hope that this Board will be able to build on the progress and positive tone set at TDB 28.

This general debate, Mr. President, seems to me to be an essential element in the kind of dialogue between developed and developing countries which we have in mind: one in which delegations speak with clarity and frankness about their concerns and perceptions, but also one in which we all make an effort to listen and understand other points of view.

The fall session of the TDB, coinciding with the release of the Trade and Development Report, has become an occasion for exchanges in a universal forum on the broad economic scene which can serve as the building-blocks for practical solutions and activities, some in UNCTAD but many others elsewhere. This dialogue continues to be, in my government's view, part of the very essence and uniqueness of

UNCTAD; we should do everything we can to nurture this process. However, this institution also makes a valuable contribution in initiating concrete measures to promote trade and development. The Generalized System of Preferences is a prime example and has already proved to be an important innovation in improving access to world markets for the products of many developing countries. In light of the importance Canada attaches to this program, I am pleased to announce that the Canadian Government will contribute \$50,000.00 this year to the UNCTAD-GATT International Trade Centre to help meet the costs of the GSP technical assistance project under UNCTAD auspices, and so assist developing countries increase their exports through fuller use of GSP schemes in preference-giving countries. This contribution is seen by the Canadian Government as an interim measure to enable the project to continue and to encourage other possible donors to follow suit. It is our hope that the UNDP will be in position to resume funding of the GSP technical assistance project in two years time, at the beginning of UNDP's fourth cycle.

The sterility of our dialogue in recent times, brought on in large part by global recession and a turning inward by all nations, illustrates how essential it becomes to return to UNCTAD "basics", beginning with a genuine attempt at communication and understanding. This approach has guided

Canada's response to the proposal for a Ministerial meeting in UNCTAD in 1985. We are convinced that a Ministerial could provide a valuable opportunity for political leaders to take stock of the present world economic situation as it affects international trade and the development prospects of developing countries. We also believe that a Ministerial could give UNCTAD, as an organization, a new and welcome political impetus. However progress towards the convening of such a meeting is dependent upon the members of this Board reaching a common understanding of what the purpose of a Ministerial should be. In our view the efforts of this Board should therefore be directed at developing a consensus on the objectives of a Ministerial.

The setting for this 29th session of the Board, Mr. President, takes place, as did our debate last year, in the wake of the most serious economic crisis the world has experienced since the 1930's. This is no longer a startling statement: it is conventional wisdom. Unlike last year, however, we can say now with some confidence that there is a more sustained and wide-spread process of rejuvenation of the world economy. The rejuvenation process has been slow and uneven and must go much farther to restore momentum to the development process. But let us remember how deep the crisis has been and how carefully we have had to move to re-kindle sustainable non-inflationary growth.

Mr. President, I have read with interest the 1984 Trade and Development Report and have noted the conclusion in Part I that the economic situation remains critical in many developing countries despite the encouraging recovery in some developed states. While we cannot quarrel with that conclusion, one must not deny certain positive signs. It is encouraging that the 1984 World Economic Survey reports that world output expanded by about 2% in 1983 and could accelerate between 3.5 and 4 percent in 1984. The Trade and Development Report notes that developing countries in Asia and the Pacific, and many in Africa, enjoyed increases in output in 1983. The IMF analysis is for an increase in output of 3 1/2% by non-oil LDC's in 1984 and some further acceleration in 1985. For its part, GATT recently reported exports of non-oil LDC's increased by 4% in 1983.

Lest one get the impression, Mr. President, that we think that economic conditions and prospects are fully satisfactory, let me add that we too recognize that problems, uncertainties and negative elements continue to exist. While inflation in the OECD area is at a 12 year low, unemployment remains unacceptably high in most industrialized states, including Canada; real interest rates are excessively burdensome, and exchange rates have continued to be volatile.

Real GNP still has not recovered the ground lost during 1982-83 in many industrialized states. In other words, the economic indicators are not wholly positive. Vigilance and careful policy making will be required to preserve and to build on what we have achieved, particularly in encouraging balanced and sustainable growth and ensuring that gains on inflation are consolidated. The recovery will also have to be broadened to include all of the developing countries, especially the poorest among them.

We could not agree more with the Trade and Development Report in its observation that the continuing crisis in many countries is having a harmful social impact as living conditions deteriorate. We would add that this is increasingly endangering the socio/political fabric in some states, and adding new dimensions to human misery.

At UNCTAD VI last year, and at a variety of international meetings since then, we have consistently supported the notion that interdependence means there is a shared responsibility for world prosperity and growth and that the international community must work together to promote development and tackle the structural problems of under-development and poverty.

At the most recent Summit meeting in London, it is a matter of note that the North-South dimension received considerable attention in all aspects of discussion on economic matters, constituting a genuine acknowledgement of interdependence. Concerns of developing countries, especially in the areas of debt, money and finance were specifically addressed and means were identified for examining such concerns in further multilateral discussions. These means included: (1) greater cooperation between the IMF and the IBRD and a stronger role for the World Bank in fostering medium and long-term development; (2) the possibility of multi-year rescheduling of public and private credit for those countries pursuing appropriate adjustment policies, (3) a discussion in the IMF interim committee of the G-10 report on the functioning of the international monetary system, and (4) a request to finance ministers to consider the scope for intensified discussion within the IMF/IBRD Development Committee of economic and financial issues of particular concern to developing countries. We consider that this committee is an appropriate forum for this purpose and look forward to exploring the possibilities further with interested countries.

Mr. President, these developments demonstrate a growing recognition of the need to give greater attention now to medium prospects for financial flows to LDCs, while persisting with our common efforts to deal with debt problems.

The effects of indebtedness on the economic prospects of developing countries and the well-being of their peoples, and on the health of international financial system as a whole, must remain a major preoccupation of the international community. It concerns developing and developed countries alike; nothing more dramatically illustrates interdependence among countries, and the modern-day interlinkages between finance and trade.

On a more practical level, a major challenge of the next year will be to see that adequate flows of commercial and official resources are directed to indebted countries. Canada has increased in 1983 its official development assistance as a means of encouraging and supplementing the essential commercial flows and those of multilateral development institutions. We have been particularly impressed by the courageous adjustment efforts that a number of debtor countries have pursued, sometimes at considerable political and social risk; we must find ways to support and reward these efforts and improved economic performances generally.

Mr. President, the ability of the existing system to develop new approaches to the severe problem of indebtedness illustrates, it seems to us, that current institutions are capable of initiating and accommodating within their structures and working arrangements the necessary adaptations to cope with



new realities and to meet unexpected challenges. The fourth edition of the Trade and Development Report features a theme which finds favour with many but not all. We share some of its assessments about how the world economy has evolved since World War II and become characterized by increased complexity and interdependence. We also accept that in some cases our institutions have coped less than adequately with problems. The Report calls however for a "reform of the system". In our view, any necessary systemic adjustments to stimulate long term growth and development, can be accomplished without the wholesale rejection or re-ordering of existing institutions. These institutions have proved their worth many times over; if they have faltered from time to time, they have still coped in the end with the crises, including the worst recession in fifty years.

Mr. President, we agree that our trade and payments system must be made continuously responsive to the conditions of the moment and the needs of the world community, but this should be done by building on the strength of our present institutions and adapting them in positive directions. We agree that a current shortcoming is the lack of an effective way to deal with the interlinkages among difference issues, but efforts are underway in various institutions to bridge the gaps among them and to deal with the more complex situation in a coordinated way. We agree that a "development consensus" could

be a guiding principle in the system, but this can be accomplished within present structures. We have noted the positive attention being given to development issues within the existing trade and payments system. At GATT, the current Ministerial work programme is addressing a number of issues of particular interest to developing countries for example agriculture, textiles, safeguards, resource products and so on. This programme and any negotiations which may emerge from it, hold out the prospect of a more integrated world economy and improvements to the international trading system as a whole. As we work in these institutions to make them representative of the interests of all participants, we must recognize that with representation must come a readiness to be a full participant in the system and to accept the responsibilities and obligations of partnership with others. Surely this is what interdependence is all about.

Mr. President, in this statement I have tried in the short time available to set out some of our views on the current economic situation, on the phenomenon of inter-dependence and on the problem of debt.

Time permitting, I would have liked to comment further on the Trade and Development Report, which contains much valuable analysis and is the product of hard work, but which we believe sets an unduly negative cast on the current situation.

We would like to suggest that a future Report might try to isolate some of the positive developments and see what we can learn from them, particularly the "success stories" of certain developing countries.

I would also have liked to go into some detail as regards the role of domestic policy measures. The Report rightly takes the view that the international impact of such measures in both developed and developing countries has increased with the complexity and interdependence found in today's international system. However, there is little attempt to analyze this aspect both for development prospects of individual LDC's, or the health of the system.

At the outset, Mr. President, I noted that UNCTAD provided a unique forum for debate and discussion of many issues related to trade and development. In addition to the items being discussed today, the trading system and the role of services is being discussed elsewhere in the building, as are the matters of trade and economic relations between the States of Eastern Europe and the developing world. The variety is almost as diverse as the countries that make up the organization, but our one objective at the 29th TDB should be the same as before: to contribute directly or indirectly to a better world and greater prosperity for all its peoples. It is a slow process, at times frustrating, but it is one we must pursue with vigour.

Thank you.