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NOTES FOR REMARKS

by

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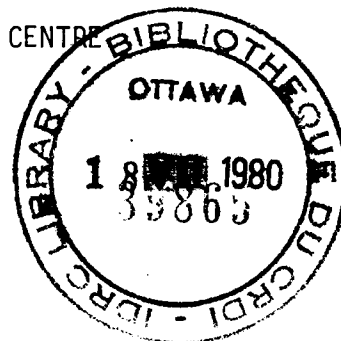
PRESIDENT, INTERNATIONAL DEVELOPMENT RESEARCH CENTRE

to

CARE WORLD CONFERENCE

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In a passage in "The Magic Mountain", Thomas Mann wrote: "Time has no divisions to mark its passage; there is never a thunder storm or blare of trumpets to announce the beginning of a new month or year. Even when a new century begins, it is only we mortals who ring bells and fire off pistols."

And well we do. Without a regular measure, without some recurring reminder of the passage of time, our incentive for reflection and - more important - our stimulus for action would be lessened considerably. I congratulate CARE for its decision to mark the commencement of a new decade with this vigorous conference. And I add my thanks to those of millions of others worldwide for the contribution CARE makes to the peoples of the developing regions of the world. Your work is well-known and highly respected yet,

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ironically in this age of mass communications, the circumstances which give rise to it are often but dimly understood on this continent. Against the background of a ticking clock, that failure of understanding is not just tragic. It could lead to catastrophe.

In this year 1980, the North American mind suffers no paucity of information relating to international events. By means of print and electronics we are intimately acquainted with aggression in Afghanistan, terrorism in Colombia, and anarchy in Iran. A gazetteer of place names cascades from the television set every weekday evening and, through repetition, N'Djamena becomes as familiar as Milwaukee. News, and especially foreign news, has become big business. And in a United States election year, it is big politics as well. Packaged as brilliantly as a sports spectacular, produced with the wizardry of a moon shot, images flash before the viewer in 20 second sequences. Time for a forest of waving fists, an exchange of small weapons fire, a breathless sentence or two from a commentator attempting to compress a complex web of issues and events into a simple exposition of cause and effect.

Upon these fragments we build our impressions of the world around us, and build, too, our evaluation of the politicians

who seek to guide us. We find ourselves at once well-informed, yet vaguely troubled. There is often no depth to our knowledge, no coherence to our understanding. Our prejudices and our fears are given scope for exercise - indeed are regularly stimulated by commentators and editorial writers.

Relying as we must almost entirely on the electronic news merchants, we gain a distorted impression of the world. And so, I fear, do our political representatives. In kaleidoscopic sequences we are told of a world populated by three tribal groupings, each with interests unlike, and seemingly incompatible with, the others.

- Our tribe is beset by economic difficulties. Spiralling interest rates are placing mortgages - and the houses they finance - out of reach of the young. Inflation is forcing homemakers to shop for food with greater care. The cost of gasoline means that fewer cars are sold, and industrial unemployment rises. Our problems are so all-consuming that we find it natural that we have little time and often less sympathy to devote to problems of others.
- The second tribe seems to us to be indifferent to economic pressures. Its members live in a state of social, political

and material deprivation. With colourless automaticity they respond to the ideological pressuring of zealous leaders seized with a vision of world domination. To be feared is this tribe; not to be trusted, not to be believed, not even to be pitied in their often-Godless communion.

- Those of the third tribe are portrayed as a polyglot, miserable bunch. They come in many hues, seldom white. They pursue strange beliefs, breed with wild abandon, display little self-discipline, and find it impossible to govern themselves with any effectiveness. From their strange-sounding capitals comes much of the evening television news.

Is it possible that in each of these tribal groupings there is any similarity of purpose? Do others share our respect for human life, engage as we believe we do in a quest for human dignity, cherish with us moral community standards? Is there any reason other than innate territorial ambition and global aggression that motivates tribe number two? Is there any reason beyond corruption, laziness and indifference that keeps the members of tribe number three in such vile circumstances? This audience knows better than most that the answer to each question is "yes". Indeed that each question, by the way it is worded, prompts a tendentious response.

Sadly, however, positive answers are seldom found in the evening news. They are not deemed newsworthy. Even more seldom do we find those immensely influential anchormen asking questions about the responsibility of the first tribe for the condition of the third. Children dying of malnutrition in Kampuchea thus become less relevant to us than our own more immediate maladies of heart disease, lung cancer and high blood pressure - the consequences of our own affluence and self-indulgence. The economic woes of Peru or Sri Lanka are scarcely comparable, we assure ourselves, to the difficulties of this or that industrial town in Pennsylvania or Ontario. It goes without saying, therefore, that goods manufactured in those low-wage countries should be discouraged from entry into the United States and Canada. Not permanently, of course. Once those places introduce workmen's compensation, health insurance, minimum wages, and pensions; once we overcome our economic problems, then will we buy their exports. In the meantime they'll no doubt find it more economic to import our manufactured goods and our agricultural products as well. In any event, once we in the first tribe get our economies humming again then we will be able to lend a charitable hand to tribe three, on the understandable condition that they don't make the mistake of getting too cozy with those communists in the second tribe.

Perhaps we need newscasts that are longer and more thoughtful. But that can cause ratings problems. Well known in the advertising industry is James Thurber's admonishment that "Sixty minutes of thinking of any kind is bound to lead to confusion and unhappiness."

Little wonder that "Dallas" is so popular! For producers and viewers alike, good and evil are much simpler to visualize and comprehend in fictional form than is the real world in its infinite complexity.

Fortunately, there are observers who have had both the time and the insight to look at the world with some thoroughness in recent years. We should pay heed to them. One group of 18 such distinguished persons made up the Independent Commission on International Development Issues, under the chairmanship of Willy Brandt. Its findings were published a few weeks ago. The report of the Brandt Commission is an imperative primer for the troubled world. Its title is unusually forceful for a scholarly document: "North-South: A Programme for Survival". Learned, imperative, dramatic; all these things the Brandt Commission Report is. But newsworthy it has been decided it is not. Thus it is not featured on TV news or in the newspapers. Americans and Canadians both have been given virtually no opportunity by the media to become acquainted

with the findings of these outstanding men and women. Politicians, who in all too many instances are scurrying to reflect the perceived interests of the electorate, are not likely to fill that void.

What is it that we are not being told about? What is it that is not deemed "newsworthy" by those who make these judgements? For starters, the Commission says that unless changes are made, changes which can be made, the future of the world economy and of international relations is sombre indeed. Let me quote a half-dozen sentences:

"A painful outlook for the poorer countries with no end to poverty and hunger; continuing world stagnation combined with inflation; international monetary disorder; mounting debts and deficits; protectionism; major tensions between countries competing for energy, food and raw materials; growing world population and more unemployment in North and South; increasing threats to the environment and the international commons through deforestation and desertification, overfishing and overgrazing, the pollution of air and water. And overshadowing everything, the menacing arms race.

"For these trends to continue is dangerous enough, but they can easily worsen. A number of poor countries are threatened with the irreversible destruction of their ecological systems; many more face growing food deficits and possibly mass starvation. In the international economy there is the possibility of competitive trade restrictions or devaluations; a collapse of credit with defaults by major debtors, or bank failures; a deepening recession under possible energy shortages or further failures of international cooperation; an intensified struggle for spheres of interest and influence, or for control over resources, heading to military conflicts. The 1980s could witness even greater catastrophes than the 1930s."

Who are these Cassandras who talk this way? Perhaps the TV producers and the newspaper editors are wise in ignoring them. You judge. The Chairman, of course, was formerly Chancellor of West Germany. Three others are former Prime Ministers or Presidents - of Britain, Sweden and Chile. Several have been cabinet ministers - in Indonesia, Tanzania, the United States and elsewhere. One, ironically, is the publisher of one of the United States' most outstanding newspapers.

Nor did these persons rely only on their own observations. They sought out the views of many others and distilled this stream of informed opinion into their findings. Those consulted included heads of government - the Chancellor of Austria; the Prime Ministers of Japan, Spain, China, Australia and several other countries; the Presidents of Egypt, Brazil and the Soviet Union, among others. The Commission consulted as well with a host of such distinguished international figures as Barbara Ward, Maurice Strong, Crown Prince Hassan, Henry Kissinger and Pope Paul VI.

The result is an extraordinary and possibly unprecedented body of knowledge. A report by a Commission whose membership and sources of wisdom are not to be dismissed or ignored. Yet ignored it has been. Ignored on this continent by the media and by book publishers. The report appeared in paperback in late February and appeared instantly in bookstores in Europe. The Sunday Times of London called its release "the most important event this year". But two months later one cannot find it in bookstores in Canada; only in recent days has it started to appear in the United States.

In their reluctance to acquaint the public with the world issues discussed by the Brandt Commission, communicators and decision-makers are contributing little to the preparation of our electorates for the changes that are underway in the world, and contributing nothing to a functioning political process. It is little wonder that residents of this continent look to protectionism as they cinch in their belts at the commencement of a recession. Why should they argue in favour of more open markets if no one has explained the interdependence of North and South? Interdependent it is.

World Bank figures reveal that in 1977, 43 per cent of the Japanese merchandise exports were sold in the developing countries; 37 per cent of United States merchandise exports that year went to the same markets, as did 21 per cent of German merchandise exports. In United States terms, this means that one American worker out of twenty is employed producing exports for the Third World. LDC imports of merchandise from the industrialized countries in the 1970s grew at a pace more than 50 per cent faster than merchandise trade among the industrialized countries.

Between 1973 and 1977, exports to the South created jobs for nearly 5 million people in the OECD countries. Equivalent benefits can be enjoyed in the 1980s, but only if the developing

countries gain the wherewithal to buy our goods. Certainly their preference for doing so would be through their own export earnings, from sales of their products to the industrialized countries. Fair prices and fair trade. It is demonstrably clear that the North cannot expect to export more, creating jobs and prosperity in the process, unless it provides improved access to its markets.

It is equally clear that this access cannot be long delayed before there will be a financial collapse of some third world countries. Why? In 1976 the industrialized countries, our tribe, enjoyed a \$70 billion favourable balance of trade with the LDCs. This shortfall was made up by credits from international financial institutions and private banks - credits that are now drying up.

Those who protest more liberal trade practices do so in good faith. They are the spokesmen of inefficient industries and of the labour unions. "Unfair", they say, to be forced to compete with low-wage countries. The Brandt Commission demonstrates that much the greatest cause of unemployment in the North has been technological change, not low-cost imports. It urges nevertheless that these worries be met by phased adjustments. It argues that

high consumer prices, unused industrial capacity and climbing unemployment are problems that will only be solved on a global scale by increased trade. Importantly in this respect, one of the Brandt Commissioners was a senior trade unionist - Joe Morris of Canada.

There is another sector of interdependence about which we are in urgent need of qualified advice, and of which the Brandt Commission had something to say. The sector is the biosphere upon which all life depends. Ecological deterioration is not restricted by national boundaries. Unwise, short-sighted practices in one part of the globe soon produce undesirable consequences elsewhere. The dreadful effects of industrial emissions are one category. Freshwater lakes in Ontario are being destroyed at a terrifying rate by sulphur-coal fumes from power generating plants, many of them in Ohio. If the present rate continues, the 140 lakes in Ontario that are already dead will be joined by as many as 48,000 more by the year 1999. By "dead" I mean incapable of sustaining fish life because of the presence of toxic chemicals dropping from the skies. If this rate of deterioration sounds alarming, it is. Experts have stated that environmental pollution has wreaked more havoc on the Parthenon in the past 35 years than has deterioration from weather and natural causes in the previous 2393 years since its construction.

Environmental damage originates in developing regions as well as in industrialized countries, and on a massive scale. Unless halted, the destruction of the world's forests - largely by persons in quest of cooking fuel - will bring irreversible damage. Deforestation in the Third World is now taking place at the rate of 11 million hectares each year - an area equal to one half of England, Scotland, Wales and Northern Ireland combined. If that rate continues, we will have halved the world's stock of wood by the year 2000, with incalculable effects on the carbon dioxide balance in the atmosphere and likely wide-ranging changes in weather, particularly rainfall, patterns. Those forests are crucial as well to soil stability both for agricultural use and to prevent the unwanted silting of rivers and harbours which erosion brings about.

We in our tribe seldom think of fuel in terms of cooking and, until recently, had long relegated wood as a fuel to decorative fireplaces and camping adventures. Activities with which we associate fuel are transportation, manufacturing and other industrial ventures, lighting, air-conditioning and powering a wide range of equipment. The fuel upon which we rely most is of hydro-carbon origin. We are prodigious consumers of energy. In the United States one person uses as much commercial energy as 2 Germans

or Australians, 3 Swiss or Japanese, 6 Yugoslavs, 7 Mexicans or Cubans, 16 Chinese, 19 Malaysians, 53 Indians or Indonesians, 109 Sri Lankans, 438 Malians, or 1072 Nepalese. Indeed all of the fuel consumed by the Third World for all purposes is only slightly more than the amount of gasoline burned in automobiles in the North.

More dramatically than any other issue has the factor of energy alerted the North to its dependence upon the South. The reaction has not been one of humility, however, and certainly not one of broad scale cooperation. Not, despite its name, at the 1977 Paris Conference on International Economic Cooperation; not in the current global negotiations preparatory to the forthcoming special session of the General Assembly. Instead, the North has chosen to cast oil producers in the South as adversaries. Our appeals for price moderation, supply assurance, long-term arrangements and the like do as a matter of form generally include references to the plight of the non-oil producing developing countries. Our primary concern, however, plain for all to see, is our demand for liquid fuels for automobiles.

It is to this need that technology is now turning, and occasionally in alarming fashion. Enthusiasm is now mounting

for the production of automobile fuel from agricultural crops. And this at a time of mounting third-world food shortages. The spectre of competition for the world's croplands is frightening yet in some instances is now reality. Brazil, for example, is far and away the largest grain importer in the Western Hemisphere, importing 5.7 million tons in 1979. Yet Brazil is now actively engaged in diverting agricultural croplands to sugar cane production for conversion into liquid fuels. Energy crops compete with food crops not just for land, but as well for water, for fertilizer, for labour, for credit, for infrastructural additions, and for investment capital.

In the United States there has been set an official production goal of two billion gallons of ethanol by the mid-eighties. Not only will this reduce the exportable surplus of grain, on which the world sorely depends, it will have the unavoidable effect of driving up domestic food prices. And the higher that gasoline prices climb, the higher will those food prices rise because the market will determine the farmers' choice of crop. One expert has calculated that the acreage required to produce fuel for one automobile for one year could produce the food consumed in that same period by 10 affluent persons.

We seem ready - unwittingly I hope - to contribute to malnutrition and starvation rather than change our driving habits. That is a far cry from the humanism we profess to admire. It is as well a commentary on the North's perspective. In the great majority of the developing countries, energy is viewed differently than it is in North America. In those places, as you in CARE know so well, the single most widely available, most dependable, and most important source of energy is the human body - not oil wells, or hydro-electric facilities or nuclear reactors. And that energy source - the human body - depends for its fuel on food. It is a fuel that increasingly is in a supply-demand deficit.

In 1975 the combined food deficit of the developing countries (excluding the People's Republic of China) was some 37 million metric tons. IFPRI, the International Food Policy Research Institute, estimates that that deficit will increase by 1990 to between 120 and 145 million metric tons, a factor of growth of some 3.2 to 3.9.

Yet even these chilling figures do not convey the total picture. Beyond them there will still be needed a further 42 to 51 million metric tons of food to meet adequate dietary standards.

This increase in demand reflects two facts: one is the growth in population - an increase globally of one million every 5 days; the second is the growth in consumption as living standards rise. Both factors are significant but the second is gaining in strength and in so doing signals that the development process is making gains.

There can be no doubt at all that the long-term solution to food deficits of these dimensions will be found only with increased productivity within the developing countries themselves. Indigenous production must become the primary source of supply. It is equally obvious, however, that a deficit of the magnitude forecast cannot be met in that time span without massive food transfers from the developed countries in order to prevent further deterioration in already inadequate diets. This fact provides still further evidence that an important and growing market exists in the South for Northern products - this time agricultural products largely of North American origin.

Whether one measures pollution or population - both up, resource reserves or terms of trade - both down, one is struck by the fact that the future is not going to work unless changes are introduced. Changes, of course, demand an alteration of the status quo.

And that is what the bureaucracies of the North are opposing in conference halls around the world. They do so in good faith, believing that they reflect political judgement, business acumen, and popular will. I believe that they are wrong on all three counts. I submit that the Brandt Commission demonstrates persuasively that changes of a significant character are required in order to make the future function, and I submit as well that Canadians, Americans and citizens of all developed countries will support those changes once they are told of their importance.

If we are convinced of the importance and the urgency of these issues, then responsibility for introducing change rests on each one of us. We must become the communicators, the builders of political constituencies supportive of a future preferable to the one now projected. There is no shortage of precedent for successful political action - certainly not in this great democracy. There is no shortage either of evidence both of need for change and the consequences of resistance - keep in mind, for example, that the present undisciplined jumble of world oil prices might have been avoided had the OECD countries not refused in 1974 the offer of OPEC to introduce an orderly price regime based on indexation.

And, happily, there is no shortage of stimulation from wise men and women. To those of us who tend to delay our response to appeals for adjustment, who put off the irritation of decision, Albert Camus has a warning. In his novel "The Fall", he wrote: "Don't wait for the Last Judgement. It takes place every day." Jean Monnet reminded us before his death that the danger is not from a world that is too challenging, it is from our unwillingness to meet that challenge. "We cannot stop", Monnet wrote, "when the whole world around us is on the move." Barbara Ward, that intellectual angel of our collective conscience, has written: "Our divisions are not rooted in inescapable material limitations or ineluctable historical destiny. They are the remnants of an outdated age."

An outdated age, indeed. One which presumed that nationalism was the fount of achievement. The city-state, the Grand Duchy, the nation-state.

Happily we are not, in this task of communication, without the understanding of political leaders. President Carter told the Congress this year that "It has never been more clear that the state of the union depends on the state of the world." Earlier, he emphasized interdependence when he said: "Only by acting together (with the developing countries) can we expand trade and investment

in order to create more jobs, to curb inflation, and to raise the standard of living of our peoples." Prime Minister Trudeau has said: "We know in our hearts what has to be done even if we have not yet found in our minds the way it can be done. Let us begin the search", he said, "and let us do so with boldness and with excitement, not with hesitancy and uncertainty. The past quarter century of increased political independence, increased industrial development, increased commercial trade, and increased affluence was not the product of timid men. Nor will be the accomplishments of the forthcoming period of total interdependence."

Our task, Mr. Chairman, yours and mine and each of us dedicated to the enhancement of human dignity world wide is to demonstrate to Messrs. Carter and Trudeau and to our leaders everywhere that a time of economic recession is not an unfortunate moment to press for action, it is the springboard for movement. It permits us to relate better to the issues, to understand what Prime Minister Manley of Jamaica means when he said: "Material abundance is not the sole purpose of human existence; but poverty defeats all other possibilities. Hence poverty is both the ultimate affront to conscience and a certain guarantee of instability. Surely, the supreme challenge of our times is to work together to eliminate it from human experience."

How do we do that? We start, I suggest, by recognizing that there is in the industrialized world a sense of fairness and a realization that all governments in all countries require revenue stability and predictability to permit effective planning and sound policies. That sense and that realization combine, I suggest, to support a Brandt proposal for some system of automatic resource allocation to permit the developing countries to plan their development other than in the guise of beggars riding the annual roller coaster of debate of the foreign aid bill in the United States Congress. There is a variety of levies that could be introduced to supplement or even replace aid of that kind - on the mining of seabed minerals, on arms sales, on international travel, even an international income tax based on a sliding scale related to national income. Present techniques of annual appropriations must tempt many developing country Foreign and Finance Ministers to choose for their tombstones, as they reflect on our much vaunted Christian principles, the simple inscription "Luke: XVI, 22". For those of you without Bibles at hand, the passage reads "The beggar died, and was carried by the angels into Abraham's bosom."

We continue by accepting that new structures and new processes must be designed by architects from both North and South

and not imposed, with whatever good intentions, by we from the North acting on our own. To engage in this act of faith in constructive negotiation - and to any who have sat through the midnight hours participating in a U.N. Committee of the Whole drafting exercise, than which virtually nothing is so spiritually debilitating, "act of faith" is an accurate phrase - there must be understanding on both sides. Understanding by us that in the South there is suspicion that in these negotiations the North seeks basically to retain its present overwhelming economic advantage. Understanding, too, that the frustration and humiliation of 400 years of colonial heritage cannot be erased in two decades. Understanding by the South that in the North there is fear that alternatives for market disruption and employment transfers are not yet designed. And understanding that we in the North are as dedicated to the removal of domestic income disparities as we are concerned with international disparities.

The next step in this course of action I am proposing requires us to calculate the cost of not acting. By this, I mean the cost to the North if economic insecurity, political instability, and environmental deterioration continue in the South. The cost to the South if opportunity for agreement is lost because of inflexible bargaining positions or ideological rigidity. By cost I mean something more precise than broad statements.

I mean the calculation in dollars and cents terms of the cost to Americans, Canadians and others in the north if forest stands are halved by 1999, and temperatures in the northern hemisphere rise, and precipitation is reduced; the cost in lost agricultural output, the cost in inflated food prices, the cost in unemployment in the food processing and transportation industries, the cost in pollution-induced health hazards, etc. I mean the calculation as well of the cost to our economies if northern banks fail because of the inability of developing countries to service their debts; of the cost of unemployment in the export-dedicated industries if developing-country markets diminish; of the cost of ever increasing security measures as political instability spreads.

Most of these costs can be calculated today just as it is possible to assess with some accuracy the cost to society of an unrehabilitated alcoholic, or a tornado, or an epidemic of polio. We can verify for ourselves the cost either of prevention or of treatment for these and many other social, medical, environmental or economic woes, and we can compare those figures with the cost of doing nothing. We know the loss to our own economies of a non-productive adult, of the cost of maintaining a criminal in jail or a family on welfare, of failing to overcome the traffic congestion on a too-narrow bridge; we recognize the economic as well as social

advantage of sanitary sewer systems and pure water supplies and medical care and compulsory education and adequate shelter. It is standard practice in the North to engage constantly in these costing exercises. Isn't it time then that similar calculations of the cost of doing nothing in North-South terms be presented to the taxpayers of our countries? I have no doubt of the message they would send to our legislators on receipt of that kind of cost-benefit analysis.

I have no doubt either of the immense sense of fulfilment and spiritual uplift which will accompany the knowledge that effective steps are underway to reduce the indefensible inequities now in place in the international community. Moral suasion, in my view, should not be the primary motivation in developmental activity. Moral satisfaction should certainly be one of the benefits, however: the knowledge that there has been some contribution to human well-being, to the dignity of the individual and to the enhancement of his or her quality of life. This knowledge is the complement of the responsibility we all share. It is a knowledge that will bring with it satisfaction, joy and freedom.

The Brandt Commission report is a sober warning - but it is not without hope. The Chairman writes in his introduction

that issues are not hopeless "if decision-makers of the world lend their weight to the solutions." What are the chances of that happening in this period of introspection, confusion and frustration? Let me look to history for the answer. de Sismondi described the 14th century in terms familiar to many today, as "a period of anguish when there was no sense of an assured future." Yet that century was not, as we know, the end of civilization. Barbara Tuchman offers the reason: "Violent, destructive, greedy, fallible as he may be, man retains his vision of order and resumes his search."

In 1980, need may never have been greater, the future never less clear. Good reason to maintain both vision and quest. To you at CARE I offer every good wish as you continue to maintain both.