

TORONTO STAR

www.thestar.com

Tue. Aug. 5, 2003. | Updated at 04:11 PM

Home

GTA

Business

Waymoresports

A&E

Feature Sections

Today's Features
> Boom!

14-day site search

More search options

Stock Quote

Ticker Name

Thunderstorms

H 26 / L 18

4 Day Forecast

> CAREERS

> STAR CLASSIFIEDS

> NEW IN HOMES

> MARKETPLACE

Business

@Biz

High Yield

Money 201

Cribb Notes

Today's Paper

Star Columnists

Business Extras

Portfolio Manager

Today's Markets

Most

Actives/Highs &

Lows

Stock Quotes

Fund Quotes

Exchange Rates

Loans & Rates

Fees & Services

Tools & Calculators

> ADVERTISEMENT <

WE WEDNESDAYS

Check Out
Food

Special Reports

> Rebuilding Iraq

> SARS

> West Nile

> Rolling Stones
Concert

> [More Specials]

My Email Newsletters

My Scoreboard

My Stock List

My Subscription

Features

> Brand New Planet

4 Previous Story

Print Story

E-mail Story

Jul. 29, 2003. 07:44 AM

Martin shows his true colours at U.N.

DAVID OLIVE

"I'm always glad to talk with Paul (Martin). He's one of those who's made my work easier."
— U.N. Secretary-General Kofi Annan in *Time*, January, 2003

Was it absurd for Paul Martin to accept a high-level posting with the United Nations last week?

You'd have to think so, given that the PM-in-waiting ostensibly has his hands full sorting out cabinet selections and policy priorities for the government he will soon form.

Then there's Kofi Annan's almost wildly hopeful expectations of the new U.N. commission that Martin is to co-chair with Ernesto Zedillo, former president of Mexico.

Its terms of reference are modest enough. The new Commission on the Private Sector and Development is to promote entrepreneurialism in developing world nations by examining proposed reforms in taxation, property rights and the elimination of red tape.

But in the overly optimistic expectations of the U.N. secretary-general, co-chairs Martin and Zedillo will be helping to achieve the U.N.'s landmark



SHANNON STAPLETON/REUTERS FILE
Former finance minister and Liberal leadership frontrunner Paul Martin listens to a reporter's question at a news conference at the United Nations last week as secretary-general Kofi Annan looks on.

BUSINESS COLUMNISTS

- > David Olive
- > Ellen Roseman
- > James Daw
- > Pat McKeough
- > Tyler Hamilton
- > Bill Carrigan
- > David Crane
- > Rachel Ross
- > Jennifer Wells

- › Contests/Events
- › Crosswords
- › Ellie
- › Horoscopes
- › Lottery Results
- › Traffic Cams
- › TV Listings

Initiatives

- › Classroom Connection
- › Fresh Air Fund
- › Santa Claus Fund

The Star

- › About Us
- › Advertising Sales
- › Affiliates
- › Archives
- › Careers @ the Star
- › Contact Us
- › FAQ
- › Internships
- › Pages of the Past
- › Photo Sales
- › Subscribe
- › Wine Connection

Search the Web

 by Google

Millennium Summit goals.

Set in 2000, they include cutting extreme Third World poverty in half, halting the spread of HIV/AIDS, and making universal education a reality throughout the developing world by 2015.

There is, as well, the inevitable skepticism that greets all U.N. initiatives these days.

This commission is designed, among other things, to get non-governmental organizations, or NGOs, working more collaboratively with multinational corporations.

Yet not a few NGOs regard the likes of Nestlé SA and Royal Dutch/Shell Group as being just this side of Satanic.

True, Shell, to pick one example, has worked usefully with NGOs like Care and Oxfam on water and solar-energy projects in Ethiopia. That's the sort of marriage of NGO social responsibility with corporate fiscal practicality that Martin's new commission may want to see replicated between NGOs and micro-businesses.

Nicola Reindorp of Oxfam, one of the more generous critics of the new commission, allows that NGOs and the private sector can usefully learn from each other.

But she's not convinced this initiative will alter the exploitative character of many multinational activities in developing world nations.

"The challenge is to see companies genuinely practicing what they preach," she told London's *Financial Times* last week, "not just creating a public relations (U.N.) 'blue-wash'."

At U.N. headquarters in New York last Friday, Martin himself uttered some Chamber of Commerce banalities about small business — invariably cited as the great job creator in Western societies, even though with their high failure rate, small businesses also are great job destroyers and are stingy with employee benefits.

"Whatever else we do to help the poor, local entrepreneurs have the power to create the greatest change for their countries," Martin said. "Visit the smallest town in the poorest country on market day and you will see the private sector at work."

The private sector in the developing world consists overwhelmingly of farmers. And when you visit the markets of the Third World today, you will see farmers unable to fetch a living wage from the produce of their labours.

That is the shameful reality that Pierre Pettigrew, the Canadian trade minister, is grappling with at this week's Montreal gathering of two dozen or so of his counterparts from around the world. Global talks on genuine trade liberalization are deadlocked over the estimated annual \$300 billion (U.S.) in Western farm subsidies that drive down the price of commodities worldwide.

Two examples of the catastrophic consequences of this Western self-interest will suffice.

The \$3 billion (U.S.) in federal subsidies received by America's 25,000 cotton farmers exceeds the entire GDP of Burkina Faso, the former Upper Volta. Two million cotton farmers in that West African nation are living in near destitution because subsidized Western cotton has driven down the world price.

In the late 1990s, Vietnam developed a thriving catfish trade, based in the Mekong Delta, that supported about half a million Vietnamese and captured some 20 per cent of the frozen catfish-fillet market in the United States.

On behalf of a tiny trade group, the Louisiana-based Catfish Farmers of America, the U.S. has imposed punitive tariffs on that trade. This has impoverished Mekong farmers who often now cannot even dispose of their catches at a loss. For good measure, the Catfish Farmers of America have run advertisements warning patrons of Mississippi Delta restaurants that still serve Vietnamese catfish that the offshore fish are "probably not even sporting real whiskers" and "float around in Third World rivers nibbling on who knows what."

The "what," suggests a helpful Rep. Marion Berry (D-Ark.), might well be Agent Orange, the defoliant used by U.S. forces in the Vietnam War.

"Chutzpah" does not translate easily into Vietnamese. But Nguyen Huu Dung, general secretary of the Vietnam Association of Seafood Exporters, has not been left entirely speechless.

"Our nation has a heavy history, and we try to forget it," said Dung recently, addressing the U.S. with admirable restraint. "But now we are made to wonder whether you wish us ill, as much in the present as you did in the past."

Canada is hardly an innocent in these matters. It continues to defend its own agricultural supply management system, which subsidizes farmers at the expense of consumers, and discriminates against offshore producers. Pettigrew does allow that Ottawa is at least willing to entertain the possibility of negotiating higher import levels for poultry, cheese and certain other farm products.

For all that, Martin showed his true colours last week when he stepped

again into the international arena

In their waning days as PM, both Pierre Trudeau and Jean Chrétien discovered the Third World, in quixotic star turns on the world stage. By contrast, Martin has been grooming himself as an international statesman for the half-decade or so that he has been Chrétien's obvious heir apparent. Which means Martin will bring more foreign-policy experience to the job of PM than any predecessor since Lester Pearson.

Martin, of course, is the namesake son of a storied external affairs minister who was a lonely champion of the League of Nations and later the U.N., and gave tutorials on multilateralism at the dinner table. Martin Jr. had to be dissuaded by tycoon-turned-U.N. official Maurice Strong from making an early career as a foreign aid worker in Africa.

Martin Jr. saw his stint at Canada Steamship Lines and in parliament as a grounding for his real aspiration, to someday enact the idealistic notions that captivated him in the 1970s as a booster of the North-South Institute and other Third World advocacy groups.

Soon Martin will have his chance.

As the most successful of the G-7 finance ministers, he easily commanded attention from his peers for his dogged crusades for Third World debt relief, and measures to curb the sporadic currency crises that played havoc with Asian and Latin American economies in the 1990s.

And by helping found the so-called Group of 20, an alliance of rich and poor nations launched in 1999 that represents about two-thirds of the world's population, Martin fostered a modest but more tangible version of Trudeau's Third Option concept of Canadian ties with the world beyond the United States.

Martin straddles the great ideological divide on developing world issues. He has always promoted global trade liberalization, but not the no-holds-barred Washington variety touted by the International Monetary Fund and, to a lesser extent, the World Bank. Martin has long faulted liberalization extremists for subjecting nascent economies to the "shock treatment" of prematurely open borders, jarring privatization and other ill-conceived nostrums.

As such, Martin will be one of the few heads of state equipped to find a meeting of minds between such personal friends as James Wolfensohn of the World Bank and the Peruvian poverty economist Hernando de Soto. Or former U.S. treasury secretaries Robert Rubin and Larry Summers, now of Citigroup Inc. and Harvard University, respectively, and the likes of Trevor Manuel, the South African finance minister with whom Martin vacationed last Christmas.

The Liberal frontrunner's odd appearance in New York last week is a

foretaste of a Martin regime that will be driven in large degree by foreign policy. Martin is saddled neither with Chrétien's obvious U.S. animus or his Finance predecessor Michael Wilson's proclivity for tending to U.S. sensibilities.

He is better suited than most to bringing about Canada's hoped-for renaissance as a middle power whose global agenda is rooted in the seeming contradiction of altruistic self-interest.

In Martin's formulation, going back to his youthful flirtation with a job at the World Bank, if Canada matters to the developing world, Canada matters. Period.

That said, Martin has some penance to do. "For the past 15 years, we've been living in a cocoon," Martin said in the early 1980s of Canada's insular foreign policy. He is hardly a newcomer to the current hand-wringing about Canada's diminished stature.

Martin at that time also called for boosting Canada's foreign-aid budget. "This is a moral problem," he said then. "We're not talking about discomfort among Third World citizens, but starvation and death. We'll never get stability in a world in which untold misery exists." And then, during nine years as finance minister, this same Martin cut Canada's foreign aid spending and its military budget. He had to do it, Martin said last week, because Canada's "back was against the wall."

Somehow Ottawa found money during that time for several new museums in the nation's capital, and a \$400,000 federally funded hot-air balloon contest in Quebec. And so on. Meanwhile, the Scandinavian countries were spending 1.0 per cent of their GNP on foreign aid, and Canada was cutting back to the current one-quarter of that amount.

Experimenting with novel ideas for stimulating small-business dynamism in developing nations "is an area where I think Canada can chart out a position of major leadership," Martin said last week, "and is very much consistent with my vision of Canada playing a leading role on the world stage."

Martin has the words right. But Martin's actual legacy will be determined later.

Marvelling at Martin's political capital — his unrivalled network of high-level contacts worldwide, and the substantial electoral mandate within his grasp — Martin's global peers will be mystified indeed if he fails to inject substance into the rhetoric with which the West continues to ease its conscience.

Additional articles by David Olive