

*Types of Aid*

9. African countries gradually are improving their economic planning and development administration. Increasingly, they not only know what they want and need, but also have the specifications worked out. Yet in any event and whether their planning is good or bad, more and more individual projects constitute part of a national policy. For example, railroads or ports, radio stations or airlines, oil refineries or shoe factories will be built even if they are mainly symbols of independence, even if their economic justification in isolation proves difficult, and even if little forethought is given to the problems of operating and maintaining them in an efficient fashion.

10. Without suggesting that tendencies towards prestige or other non-productive spending should be encouraged in the more limited fields to which Canadian aid is usually directed, it is not unreasonable to suggest that some account should be taken in the allocation of Canadian aid of the fact that the pursuit of a national policy is a justifiable and even a necessary objective for African governments. Particularly in the light of the prevailing competitive aid situation, consideration might be warranted of the inclusion under bilateral aid programmes of projects whose main justification is that they form an integral and possibly an important part of a national policy. This is especially true when it is apparent that support of such projects is not and should not be forthcoming from organizations like the World Bank whose purposes would be defeated if their standards were altered to permit such aid.

11. If such a change were introduced it would also be worth examining other ways and means of adding flexibility to Canada's aid programmes, in order to facilitate administration, to increase to the greatest possible extent the advantages accruing to Canada, and to minimize any possible friction arising out of the pride of African governments in displaying their independence, economic and financial as well as political.

*Quantity of Aid*

12. The two hundred and twenty million Africans are grouped within what are likely to emerge as some forty separate states. Together, they will constitute, by far, the biggest group within the United Nations. Yet each will have an average population of only five million and an economy with a national income averaging well under \$1 billion a year. In actuality, the states involved range from Nigeria (with 35 million people) and Congo (15 million) to such states as Gabon (1/2 million) and Togo (1 million). The sheer number of countries makes it virtually impossible to give substantial assistance to all. In selecting those to be helped at any given time, however, we should bear in mind both the relative importance of the country concerned (e.g. Nigeria) and the relative impact of a small amount of aid (which would be greater in Togo than in Nigeria).

13. The most serious quantitative shortcoming in Canada's present aid programme is the imbalance between aid available to four Commonwealth African states (\$3,000,000 per year)\* and that available to eighteen French-speaking states (\$300,000). Finally, six states do not qualify for direct aid under any existing programme. (The twenty-ninth independent African state is South Africa.)

14. Canada has developed its relations with the newly independent states on a pragmatic basis. Canadian policy has been based upon sympathy, goodwill and comprehension towards all these states. Our aid programmes have tended to develop along lines already established before independence. It has been quite natural, therefore, that aid should have been directed primarily to the members of the Commonwealth and that it was to them that large-scale aid was first made available.

15. Both the changing situation in Africa and the growing complexity of the problem of aid to Africa referred to earlier raise the question of whether it is not time to attempt to correct the