

During our deliberations, we have an opportunity to make an objective, and, I should hope, a critical, review of our aid policies and programmes. I have come to this meeting with the conviction that such an appraisal should not be conducted against a narrow background of progress achieved over the past year or so in specific sectors. Rather, it is essential, in my view, that we measure the adequacy of our effort against the general background of the long-term position and requirements of developing regions of the world and of our common ability and determination to meet those requirements over a period of time.

If we look at the situation now facing us, we cannot but be struck by certain disquieting facts. In spite of the 5 percent growth target of the UN Development Decade, it has not been achieved to date and average growth rates are, in fact, lower than in the 1950s. In spite of international concern about the growing debt burden, debt-servicing liabilities are now as high as \$35 billion, and continue to increase. In spite of our common objectives to raise living standards, there are some 40 developing countries where, because of population growth, per capita income has been increasing by only 1 per cent or less a year. In spite of our desire to build a healthier world, we find, as we shall be discussing later, that nutritional standards have even been going down in some countries and that many are unable to feed themselves. I should not suggest that aid by itself can hope to provide answers to these problems of continuing under-development. I should say, however, that the volume of our assistance should at all times be measured against the ability of the developing world to use more aid, and that terms of our assistance should correspond to the economic realities of the developing world.

In short, I should subscribe to your view, Mr. Chairman, that, while our record for 1965 represents no small achievement, it offers no basis for complacency. There are unfortunate indications that, while some donor countries are moving rapidly towards higher levels of aid, other member countries which in earlier days could rightly be considered as pace-setters in foreign aid seem now to be satisfied with maintaining their aid at current levels. As a result, the total flow of official aid resources has not really left the plateau it has maintained in recent years. Yet it would seem that international circumstances have never been more propitious for a significantly larger and improved aid effort. Developing countries have proved that they are capable of absorbing more aid more rapidly; there are promising new channels, as well as expanded facilities placed at our disposal by long-established institutions, through which additional development assistance can be offered. Finally, we now have available to us a considerable body of knowledge on the complex ingredients of economic development and also new and comprehensive patterns of co-ordination in the field of development assistance which permit us to offer to our respective parliaments positive evidence that larger aid-flows can be effectively used.

The Canadian Government has, for its part, engaged, over the past year, in an extensive review of its aid policies and the needs of the developing world, in the light of the considerations which I have just outlined in broad terms. As a result, a number of decisions have been taken which will affect significantly the future of our programmes.