

In the past three years, a relatively modest technical assistance programme to francophone Africa dating from the early 1960s has been expanded into a major, balanced aid programme like that provided to developing countries of the Commonwealth. The increase in assistance to the francophone African countries makes our aid programme a better reflection of the bilingual and bicultural character of Canada.

In the mid-1960s, a capital-assistance programme for Latin America was set up to supplement the flows of official Canadian financing previously made available to Latin America on commercial terms through the Export Credits Insurance Corporation. The aid funds are administered by the Inter-American Development Bank and have been made available at a rate of \$10 million a year. They now total \$50 million. The whole Canadian programme to Latin America is being subjected to a review of its own to define our objectives and policies toward that continent.

The Canadian development-assistance programme as it now exists had evolved through the years in response to evolving needs and changing Canadian interests. It may be that a re-evaluation in the light of the priorities and objectives of the present time will not lead to any substantial change in the outline and character of the programme. This is a basic question with which the policy review is concerned.

My comments so far have been directed to some of the traditional arguments for the provision of aid to developing countries. These continue to be valid. Now I should like you to look at the question of foreign aid in a slightly different perspective -- one very much in line with the theme of our discussion, "Canada in the global community".

The provision of development assistance can be viewed as an investment in the world of 25 years and more in the future. I don't mean just Canada's investment; I am talking about humanity's investment in the future of life on this planet. It is not a short-term business proposition. Because of the great lapse of time before we may expect significant returns on development expenditures, many people intuitively do what the professional investment analyst does and discount back to the present the benefits of the period 25 years hence - and they do so at some substantial rate, so that the importance of that period approaches zero. In other words, the world in 25 years time becomes irrelevant to the question of how we should allocate our resources now.

Let us look more closely at this discount thesis. Do we really believe it in our own expenditure pattern? I don't think we do. When a five-year-old child starts to school, the period of investment in his education is likely to be about 20 years. The social and economic benefits of this investment will not show up for 20 years or so. If we were to discount this kind of investment, the education of our children would seem to be unprofitable.

The same applies to investment in our own social problems. We have, and are, investing heavily in programmes to benefit the poor people of our own country, particularly by way of education and retraining. None of us, except the most naive, expects immediate results. We are investing in a better Canada years hence.

Similarly, our contributions to programmes for pensions and old-age security are directed to benefits to be derived in the more or less distant future. People under 40 are directing a substantial part of their resources to providing for their needs in the world 25 years hence.