

innovation in the Canadian programme, is restricted to multilateral channels or to responses to direct requests on a bilateral basis. While recognizing the need for these limitations, because of the sensitivity of this subject, the Subcommittee believes that Canada should respond to such requests quickly and generously. (77)

(vii) Apart from famine and disaster-relief, the relationship between food aid and basic economic development is highly complex. Food aid should not be allowed to impede the growth of self-sufficiency in food production, where this is possible. Canadian expertise may be particularly useful in overcoming a number of problems in the full utilization of foods in developing countries. (78-81)

II THE NATIONAL EFFORT

A. Official Policies and Development

1. An Integral Strategy for Development Cooperation

(i) The challenge of development does not involve the operation of an isolated programme. Diverse areas of policy are closely inter-related and there is need for greater consistency and improved co-ordination. (82-84)

(ii) Too often a more effective policy of development cooperation has been equated with larger allocations of funds. A comprehensive approach to development cooperation by Canada will require a CIDA input in many areas of policy beyond its formal sphere of responsibility. (84-85)

(iii) A comprehensive conception of development cooperation will involve overlapping responsibilities. There must be effective mechanisms at appropriate levels for interdepartmental communication and consultation. At the same time, CIDA must have available sufficient information and expertise to develop, advocate and defend policies within the councils of government which will bring benefits to developing countries. (85)

(iv) Given the commitment to development cooperation, other departments should become increasingly sensitive and responsive to the "developmental" implications of their policies. (86)

2. Trade Issues and Policies

(i) Several witnesses were extremely critical of the omission of a detailed examination of trade issues from the Government's Policy paper on international development. (87)

(ii) The Canadian market is a small factor in the overall trade of the developing countries. To have an appreciable impact in solving the trade problems of the developing world, Canada must strive to influence the major traders and, on a multilateral basis, the international trading community. No amount of Canadian rhetoric will be as persuasive as a tangible Canadian example. (89)

(iii) One specific step already being taken on a selective basis, is to provide information and expertise relating to marketing in Canada. This kind of assist-

ance, if followed up with aid for production, transport and quality control, could well achieve substantial results in helping developing countries toward lasting, self-generated development. (91)

(iv) A second and related measure which seems immediately practicable would be to direct Canadian trade commissioners in developing countries to work actively in the promotion of two-way trade. (92)

(v) Difficult problems arise, particularly in a period of widespread unemployment at home, over exports of developing countries which compete with Canadian producers. While acknowledging these difficulties, witnesses stressed that developing countries must have export outlets for light manufactures if they are ever to diversify their economies, industrialize, and eventually to reduce their present dependence on external assistance. (93-94)

(vi) Delay in rationalizing Canadian industry to take account of low-cost competition will probably increase the difficulty and costliness of eventual solutions. Protection may be justified in the short run, but should be linked with rationalization programmes to ensure the long-term viability of Canadian industry. The burden of adjustment must not fall solely on the workers, firms, localities or regions directly affected, but be equitably shared throughout the community. (94-97)

(vii) Existing trade barriers present a major obstacle to developing countries endeavouring to increase their exports. The Subcommittee is concerned that these barriers (and especially quantitative controls which are more difficult to surmount than tariffs) seem generally to be proliferating and tightening. (98)

(viii) Canada cannot single-handedly reverse or even indefinitely withstand a world trend toward protectionism. Canada's own record in this area may be less protectionist than many other developed states and it is manifestly in the Canadian interest to resist protectionist tendencies. (99)

(ix) The Subcommittee notes that the Canadian offer of a Generalized Preference System (G.P.S.) for manufactured and semi-manufactured products of developing countries, although not as generous as some others, would not involve tariff preference quotas or "indicative limits". It is to be hoped that the "safeguard procedures" in the Canadian offer would be implemented as rarely as possible and only when absolutely essential. The provisions for prior consultation are to be welcomed. (100-105)

(x) The G.P.S. should not be looked upon as a panacea to the trade problems of developing countries. Nevertheless the Subcommittee recommend the earliest possible implementation of the Canadian G.P.S. offer, due regard being paid to some possible harmful side effects. (101-105)

(xi) Freer international trade in primary commodities and the improvement and stabilization of commodity prices are matters of continuing importance to Canada and the developing countries. (106)

(xii) In addition to existing trade-assistance measures, the developing countries will continue to require