

PRINCIPLES AND PURPOSES OF FOREIGN AID

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"First, the resources allocated to foreign aid serve directly to stimulate the growth of our economy by contributing to the level of production, exports and employment.

"Second, the provision of foreign aid enables Canadian producers, engineers and educators to gain valuable experience and Canadian products and skills to become known in new areas.

"Third, in the process of providing foreign aid, the horizons of Canadians are enlarged and Canada's image abroad is more clearly projected.

"Fourth, the use of Canadian goods and services gives Canadians a stake in foreign aid which, I am sure, has helped to enlist and maintain public support in Canada for an expanding foreign-aid programme.

POLITICAL ASPECT

"If the ultimate effect of foreign aid is intended to be economic, its political significance can hardly be overstated. For we must remember that foreign aid is being injected into countries and societies which are, without exception, caught up in a tremendous process of transformation. Many of these countries have only recently attained their independence. More often than not, independence has accelerated the pressure for change and has heightened impatience with the pace at which it is proving possible to mobilize the resources and the skills that are required to achieve progress on the social and economic front. This is what is sometimes referred to as the revolution of rising expectations, and it is being fed by knowledge of the vast potential benefits that science and technology have to offer to twentieth-century man. The newly-independent countries are determined to break out of the vicious circle of poverty and disease and illiteracy into this modern technological society. They are not prepared indefinitely to tolerate conditions in which the rich are growing richer and the poor are staying poor. They recognize that change cannot come overnight, but there are deadlines which the governments of these countries can ignore only at their own peril.

"The political implications of all this are clear. In the first place, as I suggested at the outset of my remarks, we cannot reasonably look for any real measure of stability or security in a world two-thirds of whose inhabitants are living in a state of social ferment and economic discontent. I do not suggest - and I do not believe anyone would suggest - that foreign aid can provide anything like a complete answer to the problems of the developing countries. But, coupled with the efforts of these countries to create a sound basis for development, foreign aid can provide the beginning of an answer. Above all, it provides reassurance to these countries that they will be able to move forward in a co-operative world environment.

"Secondly, we must remember that the need to mobilize resources for rapid economic development poses problems of the greatest magnitude in countries where a majority of the population are living at, or near, the level of bare subsistence. The basic problem, I think, from our point of view, is whether in those conditions the development process is to go forward

in a framework of freedom and respect for the uniqueness and diversity of men or whether it is to go forward under the impetus of political coercion and constraint....

POLITICAL IMPOSITION SELF-DEFEATING

"These, then, are some of the political implications of foreign aid as I see them. But I do not want to be misunderstood. I do not conceive of foreign aid as a means of imposing our political views and attitudes on the developing countries. That, to my mind, would be a self-defeating objective. It would create suspicion and hostility instead of confidence, which is the only sound basis on which an effective foreign-aid programme can be conducted. Not only would a foreign-aid programme with political strings be self-defeating but it would be unrealistic. We cannot, with the best will in the world, expect to promote the establishment of parliamentary democracies on the Westminster model all over the world. Many of the new countries bring traditions of their own to the political evolution upon which they are embarking and they will in due course evolve their own patterns of government and social organization. But what we can do - and what I think it is legitimate for us to do - is to enable these countries, at their own option, to develop - to quote Barbara Ward... 'open societies in an open world'.

ONE VALID CONDITION OF AID

"In the light of what I have just said, the question may be asked whether there are really no circumstances in which it would be permissible - and perhaps even right - to attach conditions to the provision of foreign aid. It is a question which I do not wish to avoid, although it is a complex one and one which does not lend itself to dogmatic pronouncements. We do have to remember, I think, that the countries with which we are dealing are in many cases young countries, jealous of their independence and sensitive to anything that might be construed as circumscribing that independence. We also have to remember that there is no ready distinction to be drawn between different sets of conditions. Any condition is apt to be interpreted as being political in nature and design. This having been said, I think there is one condition which we have a right to attach to our aid and that is that it should be put to effective use. We can legitimately argue, I think, that the resources we allocate to foreign aid are intended to serve one overriding objective, which is to supplement the resources the developing countries themselves can manage to mobilize for their economic development. Where there is no sound indigenous development effort, foreign aid is unlikely to accomplish its objective. And if foreign aid does not accomplish its objective, governments in the donor countries will not be able to maintain public support for their foreign-aid programmes. By insisting, therefore, that our foreign aid should be effectively used and that economic development in the countries receiving that aid should have a priority claim on the resources that are being generated, we are surely not surrounding our aid with conditions that are incompatible with their own best interests....

"Foreign aid is, of course, only one response to the challenge of under-development. It will not by

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