

public cynicism, and should impart a more constructive tone to political and public debate.

c. The level of Development Assistance—

27. A great deal of the discussion of development assistance in the past has revolved around the issue of aid levels or "targets". This preoccupation is understandable when it is recalled that development assistance is a relatively new phenomenon, and one in which a multiplicity of international and national agencies are constantly pressing for expansion.

28. The technique of "target-setting" is a familiar one, widely used to mobilize and maintain interest and effort by posing a challenge and perhaps inducing healthy competition. In the field of international development, where the challenge is effectively limitless, the "targets" suggested are an attempt to have an appreciable impact, and, perhaps most importantly, to achieve stable flows of resources to make possible the long-term planning which is so vital in the development process. In no case should the suggested minimum targets become viewed as maximum limits.

29. It is also important to stress that aid targets, by their very nature, are a crude index, "a political device", which can be very misleading. In the past, such targets have sometimes overlooked the vital distinctions between development assistance and colonial administration or military aid. Sometimes they have also failed to distinguish clearly enough between official aid and private investment. The OECD statistics have been gradually improved to the point where to the initiated they convey a fairly accurate picture. But it is difficult in the simplified gross statistics which are normally used in debate to reflect the wide variations in aid terms which can substantially alter the real impact of aid allocations. As the Policy Paper points out, "a somewhat lower volume of development assistance on concessional terms may be better than a larger volume on harder terms. Thus the quantity and quality of aid are within certain limits interchangeable." (p. 14)

30. With these important reservations in mind, however, the Subcommittee has concluded that aid targets, (and particularly those recommended by the Pearson Commission Report), are a valid and useful instrument for mobilizing efforts on both the national and international levels. This is particularly true at present because of the widespread "weakening of will" which the Pearson Commission was intended to reverse.

31. In the face of declining aid expenditures by several major donors (most notably the United States), Canada is one of a number of middle-ranking donor countries (e.g. Japan, the Netherlands, the Scandinavian countries) which have been consistently increasing their contributions. The Subcommittee believes that it is against this background that Canada's quantitative aid "performance" assumes its greatest importance. As the Policy Paper states:

"...in this aspect of our international relations Canada's example can at this time make a significant difference in the precarious balance in which the future of the entire development enterprise is now poised." (p. 11)

As Professor Helleiner noted, the association of the targets with Mr. Pearson's role adds further to the international implications of the Canadian effort.

32. The former President of CIDA reiterated the importance of this general factor when he pointed out that the combined contributions of the medium-sized donors are impressive in both psychological and purely material terms:

"We can best influence the United States by being positive ourselves. If all the other donor countries doubled their contributions we would more than make up for the half that the United States has contributed in the past."

33. In strictly domestic terms, too, "targets" are an issue of considerable importance. In the Policy Paper, the Government expresses its intention "to increase the amount of funds allocated to international development assistance to move toward the internationally-accepted targets." (p. 11) This commitment is combined with a pledge to increase the Canadian official allocation by \$60 million in the fiscal year 1971-72. In a period of continuing austerity, this is encouraging evidence of the Government's firm intention to continue assigning a high priority to this programme.

34. For all of these reasons the Subcommittee has focussed on the Pearson Commission's recommendation that developed countries by 1975 devote .7% of their GNP to official development assistance. In this connection it has noted that at the United Nations in October 1970, the Canadian representative, while expressing the Government's acceptance of this target figure, refrained from specifying the time-period in which it was to be achieved.

35. In the Subcommittee's view, Canada can realistically set the goal of attaining this target by 1975. The Policy Paper acknowledges that the developing countries need and "can utilize as much assistance as the donor countries can conceivably make available," (p. 15) and, on the other hand that "it is within the ability of the Canadian economy to make available the resources for any level of development assistance that is within the range of practical consideration". (p. 14) Indeed, the Government concluded from its review "that this sacrifice can be made without lowering Canadian standards of living, and even without affecting significantly the rate of improvement in the standards of living". The Policy Paper then went on to say

"There is therefore no basic Canadian inability to transfer resources. The main constraints arise because the largest portion of the transfer of resources takes the form of official development assistance, and must be directed through the public sector accounts. The question of what can be "afforded" is thus a