

is not only right from a moral and humanitarian point of view but it is in our interests to encourage sustained economic development in the less-developed countries by making a continuing contribution that is related to the real needs of those countries.

The members of the Development Assistance Group, which will become the Development Assistance Committee of the OECD, have already accomplished a great deal through consultation and co-operation. Acknowledging the urgent needs of the less-developed countries, they have at their latest meeting recommended an expansion in the aggregate volume of the resources made available for economic aid, and an improvement in the effectiveness of that aid.

Canada Favours Outright Grants

While there is no dispute about the objectives we all seek -- the greatest flow of aid consistent with our means and our capabilities -- there are differences of emphasis about the best form this aid might take. Canada's aid programmes, which are now in their tenth year, have been based on the provision of aid through outright grants, and it remains the view of the Canadian Government that this is, by and large, the best form of aid, since it places the least burden on the economies and the balance of payments of the recipient countries. At the same time we recognize that conditions vary from country to country (among donors as well as among recipients) and that there are circumstances where other forms of aid will best serve the purposes required.

The most important factor would seem to be that aid should be related to the economic requirements and capacity of the country receiving it and the particular purpose for which the aid is required. The developed countries for their part should examine how their aid programmes could best be improved and made to suit the needs of the less-developed countries.

The aid efforts of the richer, industrialized countries will fail in their objectives, however, unless they are matched by equally imaginative and determined efforts on their part to provide sales opportunities in their markets both for the staple agricultural and industrial exports of the less-developed countries and also for the products of their new industries. The need for progress in this direction is becoming urgent as development programmes begin to take effect in these countries. We shall also have to give more thought in the future to measures for reducing to a minimum fluctuations in the prices of primary products.

The benefits to be derived from the expansion of world trade resulting from the advancement of the less-developed countries are immense, but the problems facing us are likewise immense. It is to the solution of these problems that we must direct our energies