

Supply—External Affairs

Let me say, Mr. Chairman, that I understand and believe Canada's external aid program has improved in recent years. But I do not think we yet have any real cause for satisfaction when we compare our record with others, and certainly with the requirements of the countries depending upon us for assistance. We do not have any particular cause for pride when we compare our record with those of other developed countries. I think that until recent years we have been behind but I understand we have recently been coming forward.

If we are to assume our proper role in the international community I believe we must assign a high priority to foreign aid. I do not think we can regard it as a luxury or as a symbol of our generosity or as a means to prime the pumps of international trade. Instead I think we should see it as a very vital element along with trade, finance, defence, and other functions in an integrated Canadian foreign policy.

It is misleading to suggest there is any necessary conflict between the requirements of defence and diplomacy and the requirements of foreign aid. They surely share the common goals of international peace and security.

Mr. Martin (Essex East): Hear, hear.

Mr. Stanfield: Obviously security includes the maintenance of an efficient military force and traditional military activity. But surely it also includes the sort of thing I am talking about, and where the purposes are common surely it can be possible to develop policies which are consistent and complementary.

As a beginning to a new approach to foreign aid we must abandon the idea that in a world of major powers the contribution of a relatively small country like Canada can never amount to very much. On the contrary, I think we have many advantages which the large powers do not share.

• (3:40 p.m.)

As I understand it, and the distinguished Secretary of State for External Affairs will correct me if I am wrong, the total flow of external resources available as aid from the developed countries of the world has actually gone down in real terms over the last five years. I am not speaking about Canada but about the developed nations as a whole. As a percentage of the gross national product of the wealthier countries foreign aid has also gone down. It has gone down owing to the fact that over this period of five years the

[Mr. Stanfield.]

interest payments and the debt charges generally that the underdeveloped countries have had to pay have been eating more and more into the gross assistance they have been receiving, thereby further reducing the net assistance they have been receiving. In addition, there have been frequent and substantial erosions of prices of important primary products upon which the countries depend. I suggest, of course, that we must do more, as Mr. Strong has suggested, in terms of management effectiveness on the part of the donor and on the part of the recipient countries. We must give this high priority in order to help combat the cynicism and disillusionment with regard to external aid. I think that we must also do all we can to improve the terms of trade and opportunities for trade between the underdeveloped nations and the developed nations. I believe also that we should do all we can in association with other developed countries to reduce the very wide fluctuations which exist in respect of the foreign exchange earnings of these countries over relatively short periods of time. It would seem to be obvious that over the whole field we must do more to support research in the area of aid in terms of where it can be most effective in respect of results achieved and so on.

I do not oversimplify this problem, Mr. Chairman. I do not think for a moment that it will be simple to reduce substantially the disparity between the underdeveloped and the developed nations or that anyone has a simple cure-all in this regard. I do suggest, however, that we must make a greater effort than we have been making and must invite our friends and allies to make a greater effort also. I repeat again that to do this we must achieve a certain rate of growth in our own economy. But I understand that to double the net flow of assistance to the less developed countries would require only the increase in the gross national product which the major donor countries as a whole achieve every seven or eight weeks. In other words, in order to double the amount of assistance coming from the highly developed countries of the western world it would be necessary only to allocate the increase in gross national product that we achieve over a two-month period. The central question which confronts us and all developed countries, therefore, is whether or not we have the will and the sense of priority to do this.

I understand that our aid now is running at the rate of about three-fifths of one per cent