

aid available at that time will be sufficient only to balance off the debt repayment.

This is a critical time for the world so far as the whole conception of development assistance is concerned. In recognizing the urgency of the problem and trying to respond by increased effort, we must also take stock of the whole situation. There are questions about basic motivation, about our hopes for peace in the world, about the theoretical feasibility of effecting a substantial change in the economic life of other nations and about the actual efficiency of existing programmes which should be, and are to an increasing extent being, debated.

It is essential to have a clear understanding on such points in order that there should be public support for programmes which, if they are to be really effective, will have to go on for some time yet.

#### Co-ordination of Aid

In the first place, are the developed nations aiming at a high degree of efficiency in these programmes? Are the programmes rigorously examined in the light of the real objectives of economic growth? I think that I would say, to borrow the words of the President of the International Bank, that all of us concerned with the Canadian aid effort ask ourselves constantly, "is this an investment which promises to make a lasting contribution to increasing productivity? Will it provide wealth necessary not just to repay the loan but also to add something to the well-being of the people of the country?"

I have already stressed that increasing aid activities is not just a matter of approving allocations. It requires a great effort of judgment and organization to ensure that the right thing is done. Fortunately, the developed nations are acquiring by experience a very considerable body of knowledge which is applied, after consultation and co-ordination, to the actual programmes of international agencies or of individual nations.

We are doing this with other donor countries in the Development Assistance Committee of the Organization for Economic Co-operation and Development. The members of the Organization represent the donors of the overwhelming part of the total capital flow to developing countries. We are doing it in various bodies of the United Nations, including especially the consultative groups and consortiums of the World Bank.

There is now, of course, a considerable variety in agencies or programmes created by individual donor nations or set up on an international basis. This reflects the necessity for differentiation in the techniques for giving economic assistance.

Most developed nations prefer to extend most of that assistance directly. They recognize, however, that institutions such as the World Bank group and the Special Fund component of the United Nations Development Programme have established remarkable reputations for achieving results in co-operation with the governments of developing countries which would not likely have been attainable otherwise. There is little doubt that economic assistance will continue to be given both through national and international channels. Provided the nations and agencies concerned consult among themselves and co-ordinate their activities as much as possible, I believe that the work can be done in this way with reasonable efficiency.