



# Bulletin

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## THE SEARCH FOR EFFECTIVE AID PROGRAMS

*In a statement on March 24 to the Standing Committee on External Affairs and National Defence, Mr. Mitchell Sharp, Secretary of State for External Affairs, reviewed Canada's policy on development assistance. It was, he declared, easy, in talks among states, "to focus on the volume of aid simply because volume is easy to talk about". Volume, however, was no longer the main question. Canada must devise programs that guaranteed the effective use of funds. "This," Mr. Sharp concluded, "should be the test of the success of our aid policy, rather than whether we succeed in meeting some arbitrary target."*

*Part of the Minister's statement follows:*

In a world where many things are changing for the better, it is disappointing that the problems of the developing countries should remain so intractable. Much progress has been made through the exertion of these countries and the efforts of the donor countries to accelerate their development. Many developing countries are experiencing a more rapid rate of economic growth. But the gap between the industrial world and the developing world generally continues to widen. Aid flows have not kept

pace with the needs of developing countries. Some of these countries carry disturbingly heavy debt burdens. In most, rapid population increases have absorbed increases in their national wealth with little improvement to show in the standard of living. It is increasingly clear that the problems are not amenable to easy solutions. Imaginative and innovative proposals are essential if we are to come to grips with these problems.

Canadian development-assistance programs have grown very rapidly over the past few years. They continue to grow. In 1972/73, appropriations for Canadian assistance programs will total \$491 million. This is an increase of more than 15 per cent over the previous year. We have made progress towards the aid target expressed as a percentage of gross national product and broadly accepted by the international community. During the last fiscal year we reached a level of expenditure of 0.44 per cent of GNP for official development assistance against a target of 0.70 per cent. Seventy per cent of our development funds go to programs negotiated on a government-to-government basis between Canada and the developing countries.

### WHYS AND WHEREFORES

An important part of the Government's 1970 review of foreign policy related to Canadian international development-assistance efforts. The review raised some fundamental questions about aid: Why should Canada help developing countries? Is it in our national interest? What is needed to make this aid welcome in developing countries? These questions will always be with us, but the review helped to clarify our approach. Development assistance is in the Canadian interest. It builds stronger ties between Canada and the developing countries in terms of Canadian exports and resulting employment in Canada, the development of future markets and better

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