

*Supply—External Affairs*

talk about foreign aid at this time? In addition we have the international monetary problem, an international crisis relating to international currency, balance of payments problems, our own exchange problems and, of course, increased foreign aid could add to these problems.

Why then do I pick a time like this to speak very earnestly to the committee on the subject of foreign aid? Clearly, Mr. Chairman, because I believe that one must. I believe that the importance of this subject places even greater emphasis on the importance of handling our own economic problems intelligently and effectively so that we are in a position to increase our foreign aid. I think it adds even greater importance to the question of the resolution of the international problems of liquidity and exchange so that the western world, the developed world as a whole, will be in a position to increase its foreign aid. Clearly we must do better at home and abroad.

I am not raising this matter today from the point of view of charity. I am raising it as a matter of enlightened self-interest. I suggest that we and all the developed countries of the world must do more than we have been doing to help with the problems of overpopulation, hunger, and distress.

To anyone who looks at the prospects they are alarming and the statistics are certainly frightening. The statistics of world economic disparity are striking. The minority of the nations which are rich, possessing about 75 per cent of the world's wealth, have only about 25 per cent of the world's population. The proportion of the total population living in the less developed countries is going up as the death rate declines and the high birth rate continues. I understand it has been estimated that by 1975 the number of dependent children in the underdeveloped nations in the southern half of the globe, children under 15 years of age, will alone equal the total population of the developed nations of the world.

But statistics themselves convey nothing of the deprivation and the suffering which render millions of lives purposeless, barren, tortured and wasted. The humanitarian arguments for improved foreign aid need no recitation but there are other arguments at least equal and perhaps even more compelling, and it is to those that I want to refer briefly.

I think it is widely accepted by those concerned with international affairs that in the

long run the growing disparities of economic status of people will lead to increased conflict and violence in international politics. I think it is agreed that the pressures of poverty are explosive, and it is natural that these pressures become even more intense when the growth of population and of expectation persistently outstrip the growth of food supplies, the growth of productivity and the growth in opportunity.

I say that if we are serious in our pursuit of peace we must confront the causes of conflict. To the degree that a peaceful world is essential to our own growth and expansion, and surely it is, we must be prepared to invest in the long-range stability and growth of the less developed nations. Therefore if we might choose to ignore the moral imperatives of inequality we cannot escape the economic and political consequences if the inequality persists and even grows. To decline to accept our responsibility to less developed countries is to invite a violence from which we will all certainly suffer.

Our aim must not be merely to increase the flow of funds, because funds can be as badly spent abroad as they are sometimes at home, though I am not making anything of that. Other countries have had unfortunate experiences with foreign aid which produced only rusting machinery and sometimes ended up in Swiss bank accounts. Our real success will be registered not simply in terms of the dollars we spend but in terms of the development which Canadian aid makes possible. Our guiding concern must be to promote those aid programs which will encourage the kind of capital investment necessary to create permanent increases in national income in the country assisted.

Our goal must be growth. I believe that an approach based on improving the rate of growth and the rate of productivity of less developed nations will make sense to most Canadians because it is a principle we have applied here at home. We are one of the few countries in the world which, after all, was formed with has followed the determination to use the wealth of the whole community to improve the productivity of the parts. We have not altogether succeeded but we have embodied this principle in our approach to equalization throughout our own country. We have followed that practice in Canada in the long run interests of all of us. Now that must be the basis of our approach to international aid.