

9. Apart from the over-riding imperative of basic social justice, there are a number of other important and urgent reasons for Canadian aid to developing countries.

10. The quotation from Pope Paul at the beginning of this report dramatically conveys the simple truth that there can be no durable peace or stability on the planet as long as the gulf between rich and poor is allowed to persist or widen. While there is evidence that, in the short-run, economic progress does not eliminate (and may even aggravate) certain types of social ferment and conflict, the long-term relationship between development and peace is indisputable.

11. Similarly, in the Subcommittee's view, the long-term economic welfare and quality of life of all countries will be closely inter-related. The economic development of poor countries will therefore ultimately benefit Canadians themselves—both producers and consumers—as participants in a more thriving and efficient world economy.

12. On the political plane, too, full Canadian participation in international development is essential from many points of view. Canada's credibility, prestige, and effectiveness as a member of the community of nations will hinge to an important extent on the acceptance of its responsibilities in the collective effort to promote human welfare. This is, of course, particularly true in Canada's direct relationships with developing countries, but it will spill over to other issues and other international forums. Among the developed countries, a generous and innovative Canadian role in development assistance will give Canada a basis for influencing the volume and quality of other programmes.

13. Other specific Canadian interests are also served by the development assistance programme. It is an important channel for expanding Canadian knowledge of different regions of the world, and provides an impetus to Canadian exporters of goods and services. By fostering ties with countries sharing both of Canada's main languages and cultures, the aid programme provides outlets for, and stimulus to, the bilingual and bicultural character of the country.

14. All of these factors are mentioned in the Policy Paper and all are endorsed by the Subcommittee as real and legitimate Canadian interests in this field. None of them, however, should distract Canadian attention from the central task at hand—promoting the economic and social development of the developing countries. This is adopted by the Government as “the primary objective of the Canadian development assistance programme”. The Subcommittee welcomes this statement which sets up a high standard against which all future Canadian efforts may be judged.

15. “Social and economic development” is defined in the Policy Paper in the following terms:

“...to support and foster the growth and evolution of the social, educational, industrial, commercial and administrative systems of the developing countries in such

a way that their people can improve their own organization and capacity to produce, distribute and consume goods and services and thereby improve the quality of life in their countries.” (p. 12).

This is a good definition, in the Subcommittee's view, since it clearly acknowledges the paramount role of the people and governments of developing countries themselves in propelling and guiding their own economic and social advancement.

16. The Pearson Commission *Report* has pointed out that aid resources have amounted to only about 2 per cent of the total income of the developing countries and that external resources as a whole (including private flows) have only financed some 15 per cent of their total investment. The Subcommittee has noted with satisfaction that these facts are also clearly recognized in the Canadian Policy Paper—such a recognition is essential to place Canadian assistance efforts in their proper perspective.

17. The acknowledgement that external aid provides only a relatively small proportion of total development resources is not, however, to denigrate its importance. As the Pearson Report demonstrates, aid has served as a vital catalyst of development and, as the Policy Paper adds: “Development assistance can provide the extra margin of support that will enable their (the developing countries') sacrifices to be tolerable.”

18. The help which developed countries can provide, of course, extends far beyond the traditional pattern of direct transfers of goods and services. Many of the broader possibilities are discussed later in this report. At this point, however, it is worth quoting at some length from the testimony of Dr. G. K. Helleiner about the Canadian role in international development:

“Underlying our participation must be the realization that economic development is the business of the poor nations themselves, not ours. The path to be selected, their friends, the policy resolutions, step by step, issue by issue, are matters for these countries themselves. There will be mistakes made. There will be political, economic and social instability. Our role is not to stand in their way, not to climb on their backs, not to block their path.

If we can we should help, honestly, quietly, without tub-thumping, but the bulk of their effort will be their own. Eighty-five per cent and more of their total investment is financed from their own internal sources; a still higher proportion of their total foreign-exchange earnings accrue from their sale of exports”.*

* *Evidence*, Standing Committee on External Affairs and National Defence, 2nd Session, 28th Parliament, Issue No. 35, p. 315. All of the Subcommittee's evidence is contained in Issue No. 35 for the 2nd Session, and Issues Nos. 4, 6, 8 and 11 for the 3rd Session. Future references to testimony will include the Issue number, a colon, and the page number—e.g. 35:315.