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PRINCIPLES AND PURPOSES OF FOREIGN AID

"Because the problem of under-development is one which has implications far beyond the areas where under-development is prevalent," the Secretary of State for External Affairs, Mr. Paul Martin, told the Memorial Assembly at Macdonald College, Ste. Anne de Bellevue, Quebec, on February 9, "the means of meeting and overcoming that problem must be international in scope. Foreign aid is one of the most important avenues of approach to the problem of under-development...."

Mr. Martin's discussion of the Canadian conception of a fruitful programme of foreign aid follows:

"...I think it is fair to say that there has been broad and generous support among all segments of the Canadian people for the principle of foreign aid. Here and there, nevertheless, the query is raised whether charity should not rightly begin at home. It is not an unreasonable query and it is certainly one to which an answer cannot be left in abeyance. "The answer hinges to some extent on the definition which we give to the term charity. I suppose the most common usage we make of the term is in the sense of 'helping the helpless'. In that definition, however, charity has little in common with the purpose of foreign aid, which is to provide the conditions in which the developing countries are enabled to help themselves. We do not assume that the developing countries are helpless. Nor is that assumption shared by these countries themselves. They recognize that the major responsibility for bringing their economies to the stage of self-sustaining growth must be theirs. All they ask is that the international community co-operate with them in sustaining the efforts they themselves are making and in providing the climate

and conditions in which they can mobilize their own resources to the most beneficial effect.

"Still, it is arguable that foreign aid does involve the use of national resources - in our case, Canadian resources - and that these resources might be used, as a matter of first priority, to combat poverty at home before they are directed to combat poverty abroad. This is an argument which we cannot dismiss lightly, particularly when we have in mind the findings of some recent surveys into the persistence of poverty in our own country.

CANADIAN POVERTY AND FOREIGN AID

"How do we reconcile the persistence of poverty in Canada with the provision of foreign aid? There are those who would argue that poverty is a relative conception. They would say that, in any community in which there are substantial disparities of living standards, those at the bottom of the scale have a claim to be regarded as falling within the poverty range. In one recent survey, for example, destitution - that is to say, the lowest rung of the ladder of poverty - is defined in terms of a *per capita* income of \$1,000 or less. If we were to take this as some sort of absolute standard, we should have to conclude that, in 1960, 54 countries, with an aggregate population of some 1,548,000,000, or roughly 80 per cent of the total population of the free world, were destitute.

LIVING STANDARDS DRAW APART

"When we come to consider the so-called developing countries, we find that their *per capita* in 1960 averaged \$130. This represented an advance of a

mere \$25 over the average *per capita* income recorded in these countries in 1950. Over the same period, the advanced countries of the free world, taken collectively, increased their *per capita* income from \$1,080 to \$1,410. What this means is that, over the decade as a whole, the gap in living standards between the advanced countries and the developing countries widened not only in absolute terms — as might be expected — but also in relative terms.

“Of course these are aggregate figures, and they do not always tell the whole story. One part of the story which they do not tell is the rising pressure of population and the impact this has had on the whole development process. For it is worth keeping in mind that in many developing countries this pressure of population has been such that the progress made in increasing the volume of output of goods and services is barely enough to yield any improvement in living standards whatsoever.

RELATIVE VIEW OF POVERTY

“As I said at the outset, this line of argument is one based on the relativity of poverty. It has an element of validity, but it also has serious limitations. Poverty cannot be measured solely in terms of *per capita* income. Such a standard of measurement does not, for example, take account of what constitutes minimum levels of subsistence in different climatic conditions. Above all, it does not attempt to measure the social impact of poverty in a general environment of affluence, which is the situation we confront in Canada and other advanced countries and which is bound to make the eradication of poverty a priority objective of government policy.

“I should, therefore, like to rest the case for foreign aid essentially on the argument which I would put as follows: In the scale of things Canada is an affluent country. While *per capita* income may not be the only reliable indicator of a country's affluence, the fact remains that Canada is the country with the second highest *per capita* income in the world. There can be no doubt that, as such, we have the resources both to cope with the problem of poverty in our midst and to play our appropriate part in a co-operative international approach to the problem of mitigating poverty in the developing countries. That argument seems to me an overriding one if we believe that foreign aid is right as a matter of principle. It is to this aspect of the question of foreign aid that I should now like to turn.

MOTIVES OF FOREIGN AID

“The motives behind any foreign-aid programme are likely to be mixed. These programmes have evolved pragmatically, and the world setting in which they have evolved has itself been changing with unprecedented rapidity. Foreign aid is today part of the established pattern of international relations, and it is likely to remain so in the foreseeable future. Nevertheless, there is merit, I think, in our stepping back from time to time to review the motives that have actuated our Canadian foreign-aid programme and to consider afresh the purposes we should expect it to serve.

“For my own part, I have no hesitation in saying that I regard humanitarian considerations as foremost

in the minds of those who have supported and sustained the principle of Canadian aid to the developing countries. The humanitarian approach to foreign aid is itself compounded of a number of factors which defy separate analysis. In essence, I should say, it rests upon the recognition that, as flagrant disparities in human wealth and human welfare are no longer morally acceptable within a single community, whether it be local or national, the same principle is applicable to the larger world community. And as we have devised various mechanisms for transferring part of the wealth of the community to those segments which cannot rely on the laws of the market alone for their fair share, so foreign aid can be made to serve the same ends in a wider international framework....

“...As Canadians have expanded the range of their travel, as they have learned more, through their reading and through the public information media, about conditions in the developing countries, they have wanted to go beyond what is being done in this field by the Canadian Government through the use of public funds. And today an increasing number of Canadians, as individuals or through organizations formed for this purpose, are involving themselves in Canada's foreign-aid programme. That this expanding degree of participation by Canadians owes its inspiration essentially to human, if not humanitarian, considerations — of that, I think, there can be no doubt.

PRAGMATIC GROUNDS FOR AID

“The fact that foreign aid is morally the right course to follow is not inconsistent with its being justifiable on more pragmatic grounds....

“In almost all countries today, it is accepted that the maintenance of high levels of production and employment depends on the existence of adequate demand. Indeed, we are spending vast sums of money each year to stimulate demand by means of advertising and in other ways. At the same time, there are millions upon millions of disenfranchised consumers in the developing regions of the world whose potential demand upon our productive facilities remains to be unlocked. Surely, then, it is in our common interest — that is to say, in the common interest of the advanced countries and the developing countries — to enable these countries to make their proper contribution to the world's wealth and to participate more fully in world trade. Admittedly this is a long-range objective of foreign aid, but it is one which, I think, we cannot with impunity ignore. It is an objective of particular relevance to a country like Canada which, as one of the major trading countries of the world, has a vested interest in expanding world trade.

ADVANTAGES OF CANADIAN TYPE OF AID

“The economic benefits of foreign aid are not, however, limited to the longer term. We in Canada have followed the practice of providing aid largely in the form of Canadian goods and Canadian services. I am aware that this practice, which most other donor countries have also followed, has met with some degree of criticism. So long, however, as we continue to provide the developing countries with goods and services that Canada can supply on an internationally competitive basis, I think a good case can be made for a country like Canada to provide its aid in that way. The advantages, as I see them, are fourfold:

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MUSICAL VARIETY AT STRATFORD

With a variety ranging from the jazz of Benny Goodman and Dave Brubeck to the dramatic grandeur of Handel's "Solomon", 16 concerts will be presented this summer during the Stratford Festival's thirteenth season, Oscar Shumsky, Director of Music, announced recently.

STAR PERFORMERS

Among the performers who will participate in the eight-week season are Claudio Arrau, pianist, in an all-Beethoven programme; Leon Fleisher, pianist, in an all-Mozart programme; Benny Goodman, appearing in both classical and jazz repertoire; Leonard Rose, 'cellist, in the all-Beethoven programme and soloist with the National Youth Orchestra, conducted by Franz Paul Decker; Jean-Pierre Rampal, French flute virtuoso, in a programme with the National Festival Orchestra; the Dave Brubeck Quartet with Paul Desmond, saxophone; Lois Marshall, soprano, in a vocal concert and in two presentations of Handel's "Solomon", which will also feature Charles Bressler, tenor, Norman Farrow, baritone, and the Festival Singers conducted by Elmer Iseler.

MUSIC WORKSHOP

The National Festival Orchestra, which draws its membership from leading symphonies in many parts of Canada, will form the nucleus of another music workshop in which the musicians will study and work. Coached by Messrs Shumsky, Rampal and Sol Schoenbach, members of the workshop will be heard in six Saturday mornings of chamber music to be held in the Festival Theatre from July 24 to August 28, during which the final cycle of quartets by Beethoven will be performed.

ART FOR PUBLIC BUILDINGS

Mr. Jean-Paul Deschatelets, Minister of Public Works, has recently announced that in future a portion of the overall cost of all public buildings erected by his department would go toward a programme of artistic embellishment conceived and executed by professional artists.

Mr. Deschatelets explained that authority had been granted to apply a sum equal to 1 per cent of a building-construction contract to the purchase of art. Thus a \$100,000 structure would have an allotment of \$1,000 for art-work, while in a \$10-million building, \$100,000 would be set aside for the same purpose.

In certain instances, projects of national significance, such as the Canadian Centre for the Performing Arts, will be considered unique and may be granted up to 3 per cent of construction costs for art purposes.

DEFINITION

"Fine art-work" in public buildings has been defined as those elements of a building design, including murals, sculptures, ornamental surface treatment, mosaics, frescoes, tapestries, paintings, fountains,

special lighting installations, etc., which are conceived and executed by professional artist. To be commissioned under this plan an artist must be a Canadian resident with recognized qualifications.

The Government's fine-art policy will be administered by the Chief Architect of the Department of Public Works, James A. Langford, under the guidance of a special committee representing a broad and expert opinion on Canadian art. In all cases, he will work closely with the consulting architects of the various projects. Together they will select the most suitable architectural locations for art-work in a building, propose its theme and character, nominate the artist to be commissioned, and supervise the execution and installation of the work.

INDIAN COMMUNITY DEVELOPMENT

Nine community-development officers are already at work on Indian reserves throughout Canada — three each in the Maritimes and Manitoba, one each in Quebec, Ontario and Alberta. They are the fore-runners in a carefully-planned, integrated, community-development programme which has been initiated by the Indian Affairs Branch of the Department of Citizenship and Immigration.

LARGER STAFF

Recruitment of additional staff is now under way. It is expected that 62 community-development officers and 50 Indian community-development assistants will be appointed over the next three years.

More than \$3,500,000 has been earmarked for the three-year introductory phase of the programme. Additional funds for work in adult education, economic development and municipal services also will be employed within the framework of the programme.

SYSTEM OF GRANTS

To speed the transfer to Indian communities of responsibility and authority for the management of their affairs, a system of grants to Indian band councils is being developed. These grants will enable Indian councils to employ their own staffs in a wide range of functions, including band management, clerical work, welfare administration and project development.

Suitable training courses are also being organized to equip Indians to discharge their responsibilities more effectively as employees of band councils, as community-development assistants and in other capacities. Many of the field staffs of the Indian Affairs Branch will also receive additional instruction in community development work.

INDIAN INITIATIVE

The new programme will emphasize Indian participation and initiative in advancing the well-being of Indian reserves. In effect, Indian communities will be assisted gradually to develop their own staffs and services to manage welfare, recreational services, economic projects and other local operations.

FEDERAL SHIPBUILDING POLICY

The Minister of Transport, Mr. J.W. Pichersgill, made the following announcement recently:

The Government today established an interdepartmental committee to review the policy of assistance for ship construction. Pending the completion of the report of the committee and its consideration by the Government, no additional applications for subsidy payments for ship construction will be received, except for fishing vessels. This temporary halt to allow consideration of long-term policy does not represent abandonment of the policy of governmental assistance for ship construction.

HIGH-EMPLOYMENT PERIOD

Employment in the main Canadian shipyards increased during 1964. A substantial amount of construction under subsidies already approved has still to be carried out. In addition to subsidized construction, there is a substantial programme of government construction for the Coast Guard fleet of the Department of Transport and for other civil departments of government, and, with the recent announcement of the programme of construction and renovation for the Royal Canadian Navy, there will be a large volume of construction for government account in the present year. The high level of actual and prospective employment in the ship-yards, in conjunction with the general buoyant condition of the economy, indicated that the next few months would be the best time for a review of government policy. While it is not intended to abandon the policy of encouraging private shipbuilding in Canadian yards, consideration during the forthcoming review will, of course, be given to possible modifications of the policy to meet changing circumstances, and the Government will welcome representations from all interested in the policy. The interdepartmental committee will be expected to conduct the review with all convenient speed in order to ensure continuity of employment and activity in the shipbuilding industry....

SKI SAFETY WEEK

The role of the volunteer ski patrol in Canada has drawn strong support from the Minister of National Health and Welfare, Miss Judy LaMarsh. In a statement marking the opening of "National Ski-Safety Week," February 7 to 14, Miss LaMarsh lauded the plans of the Canadian Ski Patrol System's 2,000 volunteer workers to carry their message to ski areas across Canada.

SURVEY OF SKI HABITS

CSPS activities will include an "on-the-slope" survey of the ski habits of as many as 20,000 enthusiasts. The findings that result will aid the organization in its efforts to determine the cause of ski accidents and recommended how they can be avoided. "Safety should be every skier's business", Miss LaMarsh said. "The results of this survey can do much to keep accidents on our ski slopes to a minimum, so I hope that skiers will get behind it - for their own sake."

VISUAL AIDS

A set of films and filmstrips released this season by the Fitness and Amateur Sport Directorate of the Department of National Health and Welfare is designed to interest more Canadians in taking up skiing, and to help skiers improve their skills. These visual aids are being used by the Ski Patrol and other national organizations in their own training programmes.

This year's Patrol survey will be the first carried out on a national basis. Statistics have been drawn to date from regional samplings, and from accident reports submitted by Patrol crews engaged in rescue work.

MORE WHEAT TO CANADA

The Canadian Wheat Board recently announced that, under the provisions of Canada's Second Long-Term Agreement with China, a further sales contract had been signed to provide for the export of 700,000 long tons (5 per cent more or less) of wheat, of which 620,000 tons would be shipped from Pacific ports from February through June and the balance of 80,000 tons from St. Lawrence or Atlantic ports during the same period. Assuming the full tolerance is taken, this amounts to slightly over 27 million bushels.

TERMS OF PAYMENT

Including the sales contract covered by this announcement, total sales under the Second Long-Term Agreement amount to 2.8 million tons, or approximately 104.5 million bushels. As in the previous sales contracts, payment terms for sales under the Agreement are 25 per cent cash when each vessel is loaded and the balance of 75 per cent in 18 months with interest. The deferred-payment provision is made possible by a guarantee to the Canadian Wheat Board by the Government of Canada.

CANADIAN RE-ELECTED TO UNICEF

Dr. Joseph Willard, Deputy Minister of National Welfare, was re-elected Chairman of the Programme Committee of the United Nations Children's Fund (UNICEF) at a recent meeting of the Board in New York. Dr. Willard has been Canadian representative on the Board of UNICEF for a number of years.

Dr. Willard has also chaired the Social Commission of the United Nations and the Expert Committee on Social Security of the International Labour Organization, and has served as a member of the Expert Committee on Public Health Administration of the World Health Organization and as a consultant to the World Health Organization on a number of international health assignments in Costa Rica, Jamaica and Puerto Rico.

Dr. Willard left Ottawa this week to attend in Geneva a Joint Policy Committee of UNICEF and WHO, two international organizations that work closely on joint projects to assist in health programmes for children in developing countries and have each year a joint policy session to set priorities and ensure co-ordination of their efforts.

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PRINCIPLES AND PURPOSES OF FOREIGN AID

(Continued from P. 2)

"First, the resources allocated to foreign aid serve directly to stimulate the growth of our economy by contributing to the level of production, exports and employment.

"Second, the provision of foreign aid enables Canadian producers, engineers and educators to gain valuable experience and Canadian products and skills to become known in new areas.

"Third, in the process of providing foreign aid, the horizons of Canadians are enlarged and Canada's image abroad is more clearly projected.

"Fourth, the use of Canadian goods and services gives Canadians a stake in foreign aid which, I am sure, has helped to enlist and maintain public support in Canada for an expanding foreign-aid programme.

POLITICAL ASPECT

"If the ultimate effect of foreign aid is intended to be economic, its political significance can hardly be overstated. For we must remember that foreign aid is being injected into countries and societies which are, without exception, caught up in a tremendous process of transformation. Many of these countries have only recently attained their independence. More often than not, independence has accelerated the pressure for change and has heightened impatience with the pace at which it is proving possible to mobilize the resources and the skills that are required to achieve progress on the social and economic front. This is what is sometimes referred to as the revolution of rising expectations, and it is being fed by knowledge of the vast potential benefits that science and technology have to offer to twentieth-century man. The newly-independent countries are determined to break out of the vicious circle of poverty and disease and illiteracy into this modern technological society. They are not prepared indefinitely to tolerate conditions in which the rich are growing richer and the poor are staying poor. They recognize that change cannot come overnight, but there are deadlines which the governments of these countries can ignore only at their own peril.

"The political implications of all this are clear. In the first place, as I suggested at the outset of my remarks, we cannot reasonably look for any real measure of stability or security in a world two-thirds of whose inhabitants are living in a state of social ferment and economic discontent. I do not suggest - and I do not believe anyone would suggest - that foreign aid can provide anything like a complete answer to the problems of the developing countries. But, coupled with the efforts of these countries to create a sound basis for development, foreign aid can provide the beginning of an answer. Above all, it provides reassurance to these countries that they will be able to move forward in a co-operative world environment.

"Secondly, we must remember that the need to mobilize resources for rapid economic development poses problems of the greatest magnitude in countries where a majority of the population are living at, or near, the level of bare subsistence. The basic problem, I think, from our point of view, is whether in those conditions the development process is to go forward

in a framework of freedom and respect for the uniqueness and diversity of men or whether it is to go forward under the impetus of political coercion and constraint....

POLITICAL IMPOSITION SELF-DEFEATING

"These, then, are some of the political implications of foreign aid as I see them. But I do not want to be misunderstood. I do not conceive of foreign aid as a means of imposing our political views and attitudes on the developing countries. That, to my mind, would be a self-defeating objective. It would create suspicion and hostility instead of confidence, which is the only sound basis on which an effective foreign-aid programme can be conducted. Not only would a foreign-aid programme with political strings be self-defeating but it would be unrealistic. We cannot, with the best will in the world, expect to promote the establishment of parliamentary democracies on the Westminster model all over the world. Many of the new countries bring traditions of their own to the political evolution upon which they are embarking and they will in due course evolve their own patterns of government and social organization. But what we can do - and what I think it is legitimate for us to do - is to enable these countries, at their own option, to develop - to quote Barbara Ward... 'open societies in an open world'.

ONE VALID CONDITION OF AID

"In the light of what I have just said, the question may be asked whether there are really no circumstances in which it would be permissible - and perhaps even right - to attach conditions to the provision of foreign aid. It is a question which I do not wish to avoid, although it is a complex one and one which does not lend itself to dogmatic pronouncements. We do have to remember, I think, that the countries with which we are dealing are in many cases young countries, jealous of their independence and sensitive to anything that might be construed as circumscribing that independence. We also have to remember that there is no ready distinction to be drawn between different sets of conditions. Any condition is apt to be interpreted as being political in nature and design. This having been said, I think there is one condition which we have a right to attach to our aid and that is that it should be put to effective use. We can legitimately argue, I think, that the resources we allocate to foreign aid are intended to serve one overriding objective, which is to supplement the resources the developing countries themselves can manage to mobilize for their economic development. Where there is no sound indigenous development effort, foreign aid is unlikely to accomplish its objective. And if foreign aid does not accomplish its objective, governments in the donor countries will not be able to maintain public support for their foreign-aid programmes. By insisting, therefore, that our foreign aid should be effectively used and that economic development in the countries receiving that aid should have a priority claim on the resources that are being generated, we are surely not surrounding our aid with conditions that are incompatible with their own best interests....

"Foreign aid is, of course, only one response to the challenge of under-development. It will not by

(Over)

itself close the widening gap in living standards, and we should be under no illusion that it will do so. For the resources mobilized through foreign aid represent — and will continue to represent — only a small portion of the resources that will have to be mobilized if the developing countries are to achieve the momentum needed for self-sustaining growth. Meanwhile foreign aid can help, as William Clark recently put it in his preface to *A Handbook on Developing Countries*, 'to put a floor under poverty'. That it should succeed in doing so is a matter of enlightened self-interest for all of us.

"The claim is sometimes made that man's scientific progress has out-paced his moral capacity to measure up to his responsibilities in a changing world. There is something to that claim, but I should like to think that, in this matter of foreign aid, we are at least beginning to take the measure of the changing world around us."

GRANTS TO FITNESS AGENCIES

Miss Judy LaMarsh, Minister of National Health and Welfare, has announced the award of 23 grants under the Fitness and Amateur Sport Act. The grants, which amount to \$303,291, go to national organizations to assist in the holding of clinics, training courses and competitions, and to strengthen administrative organization.

The Royal Canadian Legion receives \$56,000, to aid its track-and-field programme for national and regional coaches' clinics. The Canadian Amateur Hockey Association receives \$50,000 for continued assistance to its amateur-hockey leadership programme of clinics, which is aimed at improving coaching techniques. A grant of \$30,000 to the Canadian Olympic Association will contribute to

the cost of developing a national office and the employment of a full-time executive secretary and small administrative staff to co-ordinate COA activities.

These grants bring to more than \$2 million the amount that has been awarded to sports governing bodies and other national agencies through the Fitness and Amateur Sport Act, since it came into force three years ago.

ALL-TIME NHB RECORD

The National Harbours Board has released significant statistics on the volume of cargo tonnage handled during the year just passed. The Board administers the ports of Halifax (Nova Scotia), Saint John (New Brunswick), Chicoutimi, Trois-Rivières and Montreal (Quebec), Churchill (Manitoba) and Vancouver (British Columbia), as well as grain elevators at Prescott and Port Colborne, Ontario. On January 1, 1965, the Board assumed administration of the harbours of St. John's and Bay d'Espoir, Newfoundland.

The total cargo tonnage handled by the harbours reporting exceeded that for all previous years. The total aggregate volume of 71,404,617 tons of water-borne cargo handled in 1964 is a 7.6 percent increase over the volume for 1963, which was the former all-time high. The year 1964 goes unchallenged in most phases of cargo movements. In addition to an increase in the number of vessels entering the national harbours since 1963, exports, imports and domestic cargo have surpassed all records. Deliveries from grain elevators, both privately-owned and those administered by the Board, totalled 567,626,443 bushels, an increase of close to 45 million bushels over 1963.

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