



Statements and Speeches

No. 75/14

ASSESSING CANADA'S AID TO THE THIRD WORLD

Notes for a Speech at St. Mark's United Church, Port Hawkesbury, N.S., May 4, 1975.

The subject I wish to discuss with you this morning is aid to developing countries, and more broadly Canada's relations with the Third World. Considerable attention has been focused recently on this subject, in the press, within our Government and in international forums. In trying to define a future role for Canada in this area, I have been asking myself some very fundamental questions. These, I think, go to the heart of an assessment of what Canada can and should do in assisting the Third World.

First, what are the basic reasons for having an aid program?

Second, what level of aid expenditure does the Canadian public, and more specifically the Canadian taxpayer, wish to support? I have in mind here Canada's domestic economic situation and the possibility of alternative ways of spending public funds for domestic programs.

Third, in what way can the public and non-governmental organizations be encouraged to play a more active role in aid and development matters?

Fourth, how can Canada and other wealthy developed countries assist developing countries in ways beyond the provision of aid?

Fifth and finally, is there a need, as many developing countries have asserted, for a new international economic order?

In considering aid policy toward developing countries, one must seek the basic reasons for having an aid program in the first place, and for transferring significant resources and wealth from one country to others.

We are all a part of the community of man. One of man's primary claims to civilization is that he is prepared to care for his fellow man and share his wealth and resources with others. This manifestation of civilization can be seen in a family, a community and a nation, and it can also be seen among nations. It is, in my view, the primary reason for providing assistance to countries less fortunate than our own.

Such assistance can take many forms.

It can be justified on humanitarian grounds, particularly when there is an urgent and immediate need for relief when natural disasters and man-made conflicts have caused widespread suffering among innocent victims.

Or aid can be of a longer-term nature, aimed at creating self-sufficiency in an economy where none exists. In such cases its aim is to elevate living standards and levels of production in an economy so that development in this economy will eventually become self-sustaining. I hold the view that a special emphasis in the providing of aid should be placed on the needs of the poorest countries in the world and, within them, on the poorest sectors of society.

An aid program can also be viewed as being advantageous from the point of view of the donor country. The result of a sustained and satisfactory relation based on an aid program can be the strengthening of relations between the countries concerned, with long-term benefits for them in a wide variety of fields such as trade, investment, industrial co-operation and cultural exchanges. On my recent visit to Africa, I have seen the results of our substantial aid programs there, in terms of both the benefits to the recipient countries and the warm and friendly relations between Canada and these countries.

My second question concerns the level of aid spending the Canadian taxpayer is prepared to underwrite.

One might think that, in view of our own economic difficulties, people would want to cut back on aid. But in my experience Canadian public support for government spending on foreign aid is strong and growing. In the correspondence I receive, I am urged much more frequently to do more for developing countries than I am to do less.

Canadians are a fortunate people. Our country is one of the wealthiest in the world, both in terms of living standards and in terms of natural resources, including particularly food and energy, two areas which have been focal points of global concern in recent years. As a result, Canadians can afford to be generous, and in my experience they are inclined to be generous, when it comes to our relations with countries of the Third World.

But it is not simply a matter of generosity. We live in an increasingly interdependent world. The well-being of developed countries like Canada is more and more bound up with the fate of the developing world. Our best interests, therefore, require us to assist

developing countries. Governments of some developed countries have experienced inward-looking and isolationist pressures that would have them restrict or curtail their aid programs and limit their efforts exclusively to the search for solutions to domestic problems. But Canada must be and is an outward-looking nation, dependent on good relations with countries in many parts of the world.

The Canadian public, in my view, recognizes these realities and therefore strongly supports the "thrust" of our important and growing aid program.

Related to public support for aid is the question of public involvement.

I have wanted for some time to bring members of the public and non-governmental organizations more directly into the foreign-aid process. Participation by individuals and groups of persons interested in Canada's assistance to countries of the Third World is being facilitated and encouraged. Canada's non-governmental organizations have long participated actively and effectively in providing aid to developing countries, particularly in the field of humanitarian and emergency relief. The Canadian International Development Agency has made available increasing amounts of funds for Canadian non-governmental organizations to strengthen their capacity to play a significant role in assisting the peoples of the Third World. This financial support will continue to grow.

A new dimension of public participation will be made possible by Canada's new voluntary food-aid program, which is a direct outgrowth of the World Food Conference held in Rome in November of last year. I shall seek through this program to encourage and facilitate participation by the provinces, the public and non-governmental organizations in our food-aid efforts. This will give all those who want to take part as individuals or organizations in our aid activity a greater opportunity to do so. The program will be co-ordinated by the Federal Government and will, I hope, prove to be a co-operative venture involving many sectors of Canadian society in a global undertaking in which Canada plays such an important role.

I turn now to my fourth question: How can Canada and other wealthy countries assist developing countries through means beyond aid programs?

Increasingly, the developing world has been seeking ways of going beyond aid in its relations with the industrialized world. Aid is but one factor in influencing the development performance of a poor country. For such countries, basic trade and monetary issues, the

prices of their export commodities and the prices of the goods they must import are more crucial to their future and their prosperity than aid flows. More and more developing countries want to outgrow their role as aid-recipients and participate as full and equal partners in an international economic system that to date has left them somewhat on the periphery.

Steps must be taken to give higher priority to the trade, monetary and financial problems of developing countries. They seek more favourable treatment for their exports. They would like improved access to capital markets, and they want arrangements in the international monetary system that more adequately meet their needs. We are working towards these objectives at the multilateral trade negotiations under the GATT, through the International Monetary Fund and the World Bank and through the United Nations system. These matters are being discussed at the Commonwealth heads of government meeting now being held in Kingston, Jamaica, and we look forward to the opportunity at the seventh special session of the United Nations General Assembly, to be held in September of this year, for further progress in this important area.

Finally, I should like to address the issue of whether or not we need a new international economic order. A call for a new international economic order has been made in the past year by the developing countries. This appeal is often made in strident tones caused by the frustration of years of economic stagnation and deprivation in a world in which prosperity and wealth continue in a kind of peaceful coexistence with poverty. There is confidence and unity in this demand by countries of the Third World for a new system that will place them, relatively, in a more advantageous position in the world's economy -- not as recipients of the fruits of the voluntary generosity of the rich but as equal partners in, and benefactors from, the system itself.

Their approach initially caused concern among many policy-makers in the developed world. The conception of a new order implies the destruction, or at least the drastic reform, of the old. And yet it is clear to all perceptive observers of the international scene that we are already in the midst of a process of transition toward a new international economic order. This is a process in which the idea of interdependence has taken on a new and more balanced meaning. Not only are developing countries dependent on the industrialized countries, in areas such as aid, technology and investment, but the industrialized countries are dependent on the developing countries, particularly in the area of natural resources.

If the old order resulted in exploitation of the poor by the rich,

Let there be an end to that exploitation. If the old order is responsible for what seems to be an impenetrable gap between rich and poor around the world, then perhaps its basic premises must be examined. What is needed at this time is dialogue, and co-operation between the developed and developing worlds, in order to deal with the inevitable trend towards new forms of interdependence.

A new economic order need not imply rejection of all our institutions and our basic political and economic philosophies. It does mean change in our international economic system so that the greatest possible number of people will benefit from that system -- so that, ultimately, peoples and nations will be able to live in greater dignity and in harmony, free from the oppression of poverty. If such poverty is not tackled by a responsive economic system, it will generate misery and conflict on a tragic scale in years to come.

The costs in domestic economic terms of supporting a new international economic order have not been fully assessed. The new international economic order itself has not been specifically defined. Broad conceptions will have to be translated into concrete measures. But I remain confident that, as the world changes -- as it must -- and as its economic system evolves, Canadians will be prepared to meet their reasonable share of the burdens and thus play an important part in making the world a better place in which to live.

Thank you for giving me this opportunity of speaking with you.