



CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION · DEPARTMENT OF EXTERNAL AFFAIRS · OTTAWA, CANADA

Vol. 21 No. 32

CONTENTS

August 10, 1966

Aid Policies and Programmes.....	1	Oilseed Mission from Japan	3
Canadian Homes in Britain	3	Indian Hostesses for Expo '67	4
First Air-Crossing of Rockies	3	New Home Building	4
Commonwealth Conference Stamp.....	3	Centennial, West and North.....	4

AID POLICIES AND PROGRAMMES

The following is a recent address by the Secretary of State for External Affairs, Mr. Paul Martin, to the Ministerial Meeting of the Development Assistance Committee in Washington, D.C.:

First, Mr. Chairman, I should like to congratulate you on your report, which once again provides us with objective comments on the merits and shortcomings of our collective aid effort. You have also given us guide-lines that will be useful in pursuing the fundamental aid objectives that are the subject of today's discussion.

We meet in new surroundings, having accepted the invitation of the Government of the U.S.A. to conduct this year's deliberations in Washington, D.C. We welcomed this invitation as providing an opportunity to pay tribute to the generosity and leadership of the Government and people of the U.S.A. in the collective effort to promote economic development and ameliorate the lot of the developing countries. Our presence here also suggests the extent to which we necessarily look to the U.S.A. in the future expansion of this effort and in evolving new and imaginative measures for dealing with problems of development, old and new.

I take great pleasure in welcoming to this Ministerial meeting a fellow Commonwealth member, Australia, a country which was seated with us at the founding conference of the Colombo Plan. It is encouraging to see the growth of this circle of nations committed to increase and improve their aid through the process of consultation and co-ordination.

The performance — both individually and collectively — of our group has, over the past five years or so, provided overwhelming evidence of our determination to play our full role in bridging the gap between rich and poor countries. As the Minister responsible

in my own country for the conduct of both foreign and aid policies, I am reminded every day that aid not, repeat not, only plays a crucial role in the complex process of economic development but is also a major factor in relations between nations. For this reason I am today profoundly disturbed by apparent stagnation in our collective efforts to mobilize greater aid resources and put them to effective use. Without a renewal of upward trend in this effort there is little chance that we shall succeed in establishing a foundation of lasting peace and stability in the world. This is the opportunity and challenge of today's meeting.

During our deliberations we have an opportunity to make an objective and, I would hope, a critical review of our aid policies and programmes. I have come to this meeting with the conviction that such an appraisal should not, repeat not, be conducted against a narrow background of progress achieved over the past year or so in specific sectors. Rather, it is essential, in my view, that we measure the adequacy of our effort against general background of long-term position and requirements of developing regions of the world and of our common ability and determination to meet those requirements over a period of time.

SITUATION REVIEW

If we look at the situation now facing us, we cannot, repeat not, but be struck by certain disquieting facts. In spite of 5 percent growth target of the UN development decade, it has not, repeat not, been achieved to date and average growth rates are in fact lower than in the 1950s. In spite of international concern about the growing debt burden, debt-servicing liabilities are now as high as \$35 billion and con-

tinue to increase. In spite of our common objectives to raise living standards, there are some 40 developing countries where, because of population growth, *per capita* income has been increasing by only 1 per cent or less a year. In spite of our desire to build a healthier world, we find...that nutritional standards have even been going down in some countries and that many are unable to feed themselves. I would not, repeat not, suggest that aid by itself can hope to provide answers to these problems of continuing under-development. I would say, however, that the volume of our assistance should at all times be measured against the ability of the developing world to use more aid, and that terms of our assistance should correspond to economic realities of the developing world.

MORE AID NEEDED

In short, I would subscribe to your view, Mr. Chairman, that while our record for 1965 represents no, repeat no, small achievement, it offers no, repeat no, basis for complacency. There are unfortunate indications that, while some donor countries are moving rapidly towards higher levels of aid, other member countries which in earlier days could rightly be considered as pace-setters in foreign aid seem now to be satisfied with maintaining their aid at current levels. As a result, the total flow of official aid resources has not, repeat not, really left the plateau it has maintained in recent years. Yet, it would seem that international circumstances have never been more propitious for a significantly larger and improved aid effort. Developing countries have proved that they are capable of absorbing more aid more rapidly; there are promising new channels, as well as expanded facilities placed at our disposal by long-established institutions through which additional development assistance can be offered. Finally, we now have available to us a considerable body of knowledge on the complex ingredients of economic development and also new and comprehensive patterns of co-ordination in the field of development assistance which permit us to offer to our respective parliaments positive evidence that larger aid flows can be effectively used.

CANADA'S CONTRIBUTIONS

The Canadian Government has, for its part, engaged over the past year in an extensive review of its aid policies and needs of the developing world, in the light of considerations which I have outlined in broad terms. As a result, a number of decisions have been taken which will affect significantly the future of our programmes.

One of the major needs of developing countries is, of course, for more assistance. The total amount available from Canada during the current fiscal year will be about \$300 million. Appropriations for outright grants and long-term low-interest rate loans alone stand this year at \$220 million, having increased on the average by \$50 million a year since 1963-64. Subject to economic and other relevant circumstances, we expect the Canadian programme to continue to expand and we are thus making good progress toward the aid target of 1 per cent of the national income established by the first UNCTAD.

SERVICE CHARGE ABOLISHED

In our assessment, the needs of developing countries for aid on appropriately soft terms remain one of the essential problems. The Canadian Government has, therefore, decided to make further adjustments in the terms on which Canadian development assistance is to be made available. To soften further our long-term interest-free loans, the Canadian Government has decided to abolish the service charge of $\frac{3}{4}$ of 1 per cent. This will mean that the bulk of Canadian development lending will be interest-free at 50-year maturities and 10-year grace periods. There are, of course, certain countries which can accept harder terms, and it has been decided to introduce an intermediate lending facility under which we would, in these few cases, be able to lend on 30-year terms, including a 7-year grace period and an interest rate of 3 per cent per annum. These intermediate loans would be used only in cases justified by the current and prospective economic and balance-of-payments situation of recipient.

In mentioning the need for appropriate terms of aid, I should also point to the Canadian view that more is required to achieve harmonization of terms so that donors can pursue similar lending policies in specific cases. There is accumulating evidence that the terms on which aid is being extended to a number of developing countries, including India and Pakistan, are considerably harder than those which their economic circumstances would demand. As an example, the weighted average interest rate in the consortium for India has climbed from 2.8 per cent to 3.1 per cent. The Canadian average rate of interest in the case of India is below 2 per cent. It is our belief that DAC countries as a group could make more rapid progress in achieving their stated objective of harmonization, particularly within the framework of consortia and consultative groups.

NEED FOR FLEXIBILITY

As is the case with other DAC countries, we have also found that the need for local cost financing is becoming more important. Certainly we have found that the rigid enforcement of the rule under which Canadian bilateral aid must be tied to procurement in Canada has inhibited, in certain cases, the effectiveness of our programme. We have found it desirable, therefore, to introduce an element of flexibility. We do have balance-of-payments problems of a long-term nature. Nevertheless, in appropriate cases, we are now prepared to finance a portion of local costs not, repeat not, exceeding 25 per cent of the Canadian aid commitments to specific projects.

In summary, Mr. Chairman, more aid on softer terms with better techniques is required. It is, of course, for each member to determine its share of collective aid effort and the terms on which its share is extended. We have noticed with regret, as I have mentioned, that the volume of aid provided by certain countries has been decreasing and that terms have been hardening. So far as we in Canada are concerned, however, the terms as well as the volume of our aid will be determined less by what other DAC countries are doing and more by our assessment of the developing countries.

CANADIAN HOMES IN BRITAIN

Trade and Commerce Minister Winters said recently that a contract had been awarded in London for the building of 173 British homes, using Canadian materials and timber-frame construction methods. The housing project, on a 15-acre site at Harlow, Essex, 26 miles northeast of London, is designed to show that Canadian house-building methods are practical in Britain in terms of building costs, speed of construction and housing values.

Mr. Winters said that the project would represent the culmination of three years' work by the Department of Trade and Commerce and the Canadian lumber and plywood industries in their programme to promote increased sales of Canadian lumber, plywood and other building materials to Britain. It brings to fruition a recommendation by a British housing mission, which visited Canadian housing projects and industrial plants in 1963, that the British and Canadian Governments co-operate in a medium-density housing project in Britain to demonstrate Canadian timber-frame methods and materials.

Since then, the Department has co-ordinated the implementation of the project, working with Central Mortgage and Housing Corporation, designers of the homes, the Canadian lumber industry and associations, the British Ministry of Housing and the Harlow Development Corporation.

The contract was awarded by the Harlow Corporation to a British firm with more than 60 years experience in building and civil engineering. Construction should be complete within 18 months.

CMHC SUPERVISION

Besides designing the homes, Central Mortgage and Housing Corporation will supervise construction; but in all other respects it is a British project. The homes will be sold to private buyers.

The development will include units with two, three and four bedrooms with prices (including garage and land) from \$15,000 to \$19,000. One home, which will be used as a furnished show-house, should attract thousands of visitors, including representatives of local housing authorities throughout Britain.

FIRST AIR-CROSSING OF ROCKIES

The first air-crossing of the Canadian Rockies was commemorated by the unveiling of a plaque on August 7 in Lethbridge, Alberta, by Northern Affairs Minister Arthur Laing and Mayor Frank Sherring of Lethbridge.

It was on August 7, 1919, that a pilot of the First World War, Captain Ernest C. Hoy, coaxed his fuel-laden Curtiss JN4, affectionately known in those days as a "Jenny", off the makeshift runway at Minoru Park Race Track, Vancouver, and headed east over the Rockies. Fourteen hours and eight minutes later, the plane touched down at Lethbridge, after having zigzagged through rocky passes and over towering peaks to make Canadian aviation history.

Captain Hoy, a native of Dauphin, Manitoba and later a resident of Vancouver, now lives in Clarkesville, Georgia, following a distinguished career with the Sun Life Assurance Company of Canada that led him to manage the company's offices in Newark, New Jersey, and Chicago, Illinois. He retired in 1955.

Following an address by Mr. Laing and the unveiling of the plaque, 702 Wing of the Royal Canadian Air Force, based at Moose Jaw, Saskatchewan, staged a fly-past of T33 jet trainers.

COMMONWEALTH CONFERENCE STAMP

Postmaster General Jean-Pierre Côté announced recently that a five-cent commemorative postage stamp would be issued in September to mark the convening in Ottawa of the twelfth general conference of the Commonwealth Parliamentary Association.

Mr. Côté said that the new stamp would be purple in colour, small in size and horizontal in shape. It will symbolize the working of Canada's Parliamentary Government by means of an unfamiliar view of the Parliamentary Library in Ottawa. Members of Parliament from all parts of the Commonwealth will meet in Canada from September 8 to October 5 to discuss subjects of mutual interest. The aim of the Commonwealth Parliamentary Association is to promote understanding among members of Commonwealth legislatures, which share a community interest and respect for the rule of law, the rights of the individual and the ideals of parliamentary democracy. The Association was founded in London in 1911, during the coronation of George V.

OILSEED MISSION FROM JAPAN

Representatives of the Japanese oilseeds industry visited Canada recently to study the developing rapeseed industry. The tour and meetings with Canadian authorities, which were sponsored by the Department of Trade and Commerce as a follow-up to a successful Canadian oilseeds mission to Japan in 1964, took the visitors to Vancouver, Calgary, Saskatoon, Winnipeg and Toronto.

Although Japan is already a major customer for Canadian rapeseed, it is believed that a wider use of rapeseed oils and meal could be encouraged in that country to the benefit of Canada's export trade.

Members of the mission inspected oilseed crops in the fields of Alberta, Saskatchewan and Manitoba, and were shown methods of crushing, handling, storing and shipping the rapeseed products. They also learnt of Canada's extensive research programme with new varieties of rapeseed and the technological developments in the production and use of rapeseed oil and meal.

The supply and sale of Canadian oilseeds in Japan was discussed with producers, exporters and Canadian Government officials.

INDIAN HOSTESSES FOR EXPO '67

Twelve Canadian Indian girls from among 280 applications have been appointed hostesses for the "Indians of Canada" pavilion at Expo '67.

Selection boards were set up in ten major Canadian cities to interview the girls, who were judged not only on their appearance and personality but on their intelligence and their interest in Indian traditions and culture and contemporary problems affecting their people.

"The competition for these positions has been very strong" said Chief Andrew Tanahokate Delisle, Commissioner-General of the "Indians of Canada" pavilion.... "The 12 girls who won these positions, and all those who applied for them, are a real credit to their people. I am encouraged to think that the future of the Indians of Canada is in their hands."

The young hostesses will be trained for four months in Montreal, beginning next January. Their training will include Indian culture and history, Canadian history, information on Montreal and the World Exhibition, and first aid. They will be expected to have some knowledge of the one of Canada's two official tongues they do not usually speak.

The "Indians of Canada" pavilion is intended to be a statement by the Indians to the rest of the people of Canada, and the world. Funds for the project are provided by the Indian Affairs Branch, Department of Northern Affairs and National Resources.

NEW HOME BUILDING

Starts on the construction of new dwellings in Canadian centres of 5,000 population and over declined in April to 6,518 units from 8,877 in April last year, while January-April starts fell to 26,373 units from 28,318 a year earlier. Completions rose in April to 20,771 units from 14,352 and, in the four-month period, to 51,000 units from 50,031. Units in various stages of construction at the end of April were higher this year at 75,973 units versus 67,754.

PROVINCIAL FIGURES

Starts in Ontario in April fell to 3,047 units from 3,552 in the same month last year, and in Quebec to 1,463 units from 2,285. Totals for the other provinces: Newfoundland, 63 (51 a year ago); Prince

Edward Island, 1 (5); Nova Scotia, 101 (134); New Brunswick, 106 (136); Manitoba, 99 (352); Saskatchewan, 172 (182); Alberta, 384 (1,036); and British Columbia, 1,082 (1,144).

CENTENNIAL, WEST AND NORTH

The West Coast of Canada, the Northwest Territories and the Yukon were inspired last month by the centennial spirit to augment their contribution to 1967 celebrations. The occasion was the seventh meeting of the National Conference on the Centennial of Confederation, held at Victoria, British Columbia, and a pre-centennial tour of Whitehorse (Yukon), Yellowknife (NWT) and St. Paul (Alberta).

The National Conference is made up of 60 members appointed by the Secretary of State from across Canada, including at least two from each of the provinces, appointed on the recommendation of the provincial governments. The Victoria meeting was the first to be chaired by Miss Judy LaMarsh since she became Secretary of State, the Minister responsible for the centennial.

Miss LaMarsh paid tribute to the part the National Conference had played in centennial planning as the main group advising the Minister and representing every province and region of the country. She pointed out that many ideas in the early stages of centennial planning had come from the National Conference and that major ones had since been transformed into national centennial programmes.

The "idea" stage of centennial planning had been completed, and programme projects decided on, Miss LaMarsh said. "Now we are heading into the third and final stage, the home-stretch", she told the members. "Not only are the ideas set and the decisions made, but the necessary administrative work also is nearing completion. From now until next January 1 the major task must be to spread the word to make sure all Canadians from coast to coast know what plans we have made, to rouse their interest and enthusiasm in our programmes".

Following the meeting, the Conference members and Commission representatives toured Whitehorse, Yellowknife and St. Paul. They held meetings with local centennial planning organizations in those communities. The trip provided an opportunity for an interchange of information and ideas between individuals from all parts of Canada.
