

Finally, a word on the argument that Canada should reduce its defence arrangements and contribute any funds that would be saved to our external aid programme. I do not wish to appear to question the importance of foreign aid. Indeed, the present Government has significantly increased Canada's foreign aid during the last few years. But a responsible government, in seeking to reconcile national interests which may involve competition for limited resources, strives to find that balance which best promotes those interests.

Are we aware of the evolving balance between military expenditure and foreign aid which has in fact taken place over the years? In 1953, 9 per cent of Canada's gross national product was devoted to defence expenditure. By 1966 this figure had fallen to less than 3 per cent -- a threefold reduction. During this same period (1953 to 1966), allocations to Canada's external aid programmes increased from under \$30 million to over \$300 million -- a tenfold increase. Changes of expenditure of these orders of magnitude surely reflect important changes in balance, but we must be careful not to allow the balance to develop in such a way that Canada is not carrying its share of the defence burden.

The world is becoming increasingly interdependent. The accent, for the great as well as for the lesser powers, is on co-operation and interaction. But the object of policy remains the promotion of national objectives. The effectiveness of national policies should be judged not by the apparent "independence" shown but by the extent to which they promote the whole range of national interests. And it is our belief that pursuit of these interests requires of us a contribution to the defence of our country, our continent and the Atlantic Community, and that it is only on this basis that we can have a foreign policy which is both independent and effective.

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