

Q. That brings up our relations with the developing countries, and trying to close the gap between rich and poor. Do you see any possible new initiatives that might help that out?

A. We have, of course, taken one initiative that is worth recalling. And that is the establishment of our International Development Research Centre which is just getting under way now. And Mr. Pearson, our former Prime Minister, as you know, is the Chairman of the Board; and we have David Hopper who has had extensive experience throughout the world as the Executive Head of this agency. It's a rather interesting organization because about half of the directors are non-Canadians. What we have in effect established is an International Development Research Centre which is controlled almost as much by foreigners as it is by Canadians themselves. This is the organization that will be looking at the problems of development. It won't be promoting development. It will be studying how best to promote development and giving guidance to international agencies and to, we hope, national agencies such as our own. This I consider one of the more important developments that we in Canada have been promoting, and it may have results of very far-reaching importance. Other than that we have been increasing our aid. We've made an enormous improvement in our relative standing amongst the countries -- the donor countries -- of the world. We're now about the middle and our...I think last year our aid was .71 per cent whereas a few years ago it was down to less than half of one per cent. In terms of official aid, we're one of the largest of the donor countries. So we're beginning to play the sort of part in these activities that I think we should as one of the more fortunate countries of the world.

Q. Isn't there another problem developing there, though -- with the developing countries going farther and farther into debt? Their international exchange position doesn't seem very good. Do you think there's a way around this?

A. The only way around it is to avoid piling more debt up. At least that's one way of dealing with the question. This is why we have been concentrating on either grants or very long-term loans at very low rates of interest or with no interest at all. Many of our loans have been fifty years, without interest, with a ten-year period of grace before the capital has to be begun to be repaid. This is one of the reasons for that sort of arrangement -- it's to avoid placing on the shoulders of these developing countries further debts that they will never be able to pay. I don't know any other answer. The needs of these countries are enormous. Many of the things that they need will take a very long time for them to be able to repay. They need the infra-structure. I'm not talking about new factories which might be able to pay for themselves, I'm talking about roads and schools and universities and health services -- all these things that are necessary for