

Economic Effort of New Countries

A great co-operative endeavour over the past two decades has been the economic development of new countries and countries seeking to reach new economic and social goals. The United Nations and its Agencies have not only aroused world support for these efforts, but have also given us many of the tools to work with. Massive resources have been transferred by way of aid directly and through international agencies to reinforce even greater efforts of the developing countries themselves. That the efforts of these countries are bound to be paramount was emphasized yesterday in your speech, Mr. President, when you pointed out that, in this "endeavour for rapid economic growth to offset the increase in population and to keep up with the development trends in advanced countries, the developing countries bear the main responsibility for their economic and social progress". The same point was made by the present Prime Minister of Canada some years ago when he was speaking of the role of external aid. He went on, however, to develop this point in the following way:

"The fact that external aid may often be marginal does not, however, make it unimportant. Many a garment might unravel if it were not for the hem. In much the same way, the fabric of economic and social life in many of these countries is strengthened by the function which outside assistance performs and by the evidence which it brings of widespread interest, sympathy and support."

Canada's Aid Effort

Since the war Canada has made substantial contributions to international development efforts. From the start, Canada actively encouraged the formation of United Nations programmes and we backed up our support with substantial contributions. We were among the founding members of the Colombo Plan in 1950 and since then we have annually transferred Canadian resources to countries in South and Southeast Asia, and more recently to Africa and countries in the Caribbean area. Through Canadian and United Nations programmes we have provided substantial development resources, by far the greater part of which has been on a grant basis requiring no repayment.

The Canadian aid effort is part of a broad co-operative endeavour to hasten economic and social progress throughout the world. My Government recognizes both the new sense of urgency behind this endeavour and the growing determination to achieve development goals. We have, therefore, decided to increase Canada's economic aid by more than one-half. Our expanded effort includes a new programme of long-term loans on liberal terms. We expect our aid expenditures during the next twelve months to reach \$180 to \$190 million.

Adding Another Dimension

Until recently, the main emphasis in international arrangements has been to promote economic development through financial and technical assistance. We must now add another dimension to the great effort to support economic development. We must examine how trade can make a fuller contribution. The developing countries are rightly seeking through trade expansion to accelerate their economic development and to raise their living standards. World trade is