

the living standards of the poor nations. Aid is one front on which these problems can be attacked, and the UNCTAD has done much to encourage study of the ways to increase the flow and improve the terms of the resources which industrialized nations make available to the under-developed nations. But if the latter are ever to acquire the means to finance the imports essential for their development, their earnings from the goods they export to world markets must be substantially increased. This in turn implies improvements in marketing conditions for the raw materials these nations sell abroad, as well as adjustments which will permit them to expand and diversify their sales of manufactured goods.

Canada, as a nation dependent upon expansion of international trade, supports soundly-conceived innovations which will lead to broader participation by all nations in the international trading system. In the long run, we believe that all stand to gain if the greatest number of countries are able to prosper from the expansion of world trade.

The second UNCTAD conference, which will convene in India early in 1968, will provide the opportunity to review what has been done since 1964 and will set the course for our future efforts to expand and enhance the effectiveness of development aid and improve the trade opportunities open to the low-income countries.

To layman and specialist alike, the problems of economic development and international trade are complex and often difficult to grasp, the solutions much more so. But it is clear that the future of Canada, its prosperity and its security, depends to a considerable degree on the response which Canada and the other economically-advanced countries make to the needs of the under-developed world. Difficult as these questions may be, we cannot avoid them.

It is a source of great satisfaction to me that Canada has, in recent years, been able to increase its contribution to international development through its aid programmes. As many of you know, the Government has accepted the target of one per cent of national income as the measure of Canada's allocations for development assistance and plans to achieve this goal within the next three or four years.

A great proportion of Canada's aid is provided directly to other countries through bilateral programmes. But, in keeping with our belief in the vital importance of the United Nations and in the role which it can and must play in international development, a significant proportion of our aid funds is placed at the disposal of the United Nations and its associated international agencies.

In 1967, Canada ranks fourth among the contributors to the United Nations Development Programme, and second in contributions to the World Food Programme. Substantial Canadian contributions to these and other United Nations agencies are made on the basis of annual supporting grants. Canada also makes loans and advances to the World Bank, and its affiliated organizations, the International Finance Corporation and the International Development Association. The Bank is closely related to the United Nations.