

Because the task of international development is so desperately urgent, and the consequences of failure so potentially dangerous for us all, it is a matter of grave concern that the collective aid effort of the developed countries has tended to stagnate in recent years.

The developed countries, including Canada, must not allow their efforts to lag; they must devote their energies to mobilizing greater resources and putting them to effective use for the benefit of developing countries.

Canada has endeavoured to set an example in this field; in recent years, the Canadian aid programme has increased considerably, and now stands at over \$300 million annually. It is the Government's intention, subject to economic circumstances, to continue expanding the aid programme to a point where, by 1970-71, it will equal one per cent of the gross national product.

We are encouraged by the fact that circumstances are becoming more favourable to the effective use of the aid resources which Canada can provide. There are promising new channels of aid, such as the recently-established Asian Development Bank, and long-established institutions such as the World Bank have expanded their facilities. Equally important, there is a growing body of knowledge of the complex ingredients of economic development.

The immense task of galvanizing national energies towards the objective of establishing an international society of the kind which we are dedicated to create in this country is one that cannot be accomplished through aid alone, and I would not suggest for a moment that economic assistance by itself can hope to provide answers to the problems of continued underdevelopment. Our ultimate objective must be to provide developing countries with the means to support themselves, and, in particular, to procure through the normal channels of trade the goods and services required for their development.

The inadequate growth of trade in the poorer countries led in 1964 to a world conference on trade and development, and subsequently to the establishment on a permanent basis of the United Nations Conference on Trade and Development. Discussions in this forum have already yielded a much better understanding of the nature and magnitude of the problem which must be resolved to permit more rapid economic development of the poorer countries.

Clearly, one of the most urgent tasks is to stabilize and improve the earnings of developing countries from the export of basic commodities, which for many of them account for a large portion of their total earnings from trade. In recent years, lower prices for some of these commodities have often offset the foreign-exchange benefits of foreign aid. Vigorous efforts are now being made to achieve international commodity agreements in sugar and in cocoa. Developed countries, which are often the main consuming areas, have been called on to play their full part, and must be prepared to adapt their policies and make certain sacrifices. The benefits to the developing countries would be immense, and in the longer run we would all stand to gain.