

FOR CANADA, CONTRIBUTING TO A HEALTHY DOMESTIC AS WELL AS INTERNATIONAL ECONOMY MEANS COMING TO GRIPS WITH OUR FISCAL DEFICIT. WE DID SO IN THE GOVERNMENT'S APRIL BUDGET WHICH AFFECTED BOTH OUR REVENUES AND EXPENDITURES. WHILE THERE WILL BE ADJUSTMENTS IN THE SHORT RUN, WE HAVE LAID THE BASIS FOR STRONG AND STABLE GROWTH IN THE COMING YEARS.

AS WE LOOK AT THE GLOBAL ASSISTANCE EFFORT, IT IS CLEAR THAT THE VOLUME OF ASSISTANCE IS NOT KEEPING PACE WITH NEED. OUR AID PROGRAM IN RECENT YEARS HAS BEEN GROWING BY 7.4 PER CENT, MORE THAN TWICE THE RATE OF CANADIAN GOVERNMENT SPENDING GENERALLY. CANADA, LIKE SOME OTHER DONORS, HAS HAD TO MAKE SHORT-TERM ADJUSTMENTS TO OUR AID BUDGET, BUT BEGINNING NEXT YEAR, OUR PROGRAM WILL GROW AGAIN, TIED BY A FORMULA TO THE GROWTH OF THE CANADIAN ECONOMY AND OUR RATIO OF DEVELOPMENT ASSISTANCE TO GNP WILL GRADUALLY INCREASE.

IT IS HARDER TO MEASURE AID QUALITY VOLUME, BUT BOTH HIGH QUALITY AND VOLUME ARE NECESSARY TO A CREDIBLE AID EFFORT. CANADA IS COMMITTED TO THE HIGH QUALITY OF ITS PROGRAM, AND DESPITE THE BUDGET REDUCTIONS, THE FUNDAMENTAL DEVELOPMENTAL ORIENTATION OF CANADIAN AID WILL REMAIN CENTRAL.

THAT MEANS THAT THE POLICY DIRECTION OF THE CANADIAN ODA STRATEGY, ANNOUNCED LAST YEAR, AND WELCOMED BY THE DEVELOPMENT ASSISTANCE COMMITTEE, REMAINS UNCHANGED.