

We have a clear objective, and have now developed the basic means of reaching it. The problems of the coming years will be ones of refinement. We're in danger of being stretched too thin. We want to be sure our aid has the maximum development impact. We want to see to it that the needs of the developing countries are matched to Canadian skills and resources in the best way we know how. (Parenthetically, I might add that Canadian businessmen have not been as alert to take advantage of opportunities in this area as they should have been.) It is questions of this sort which will be concerning the Government. While they are important, it will be clear to you that they imply no change in the general trend of our policy.

Trade problems have perhaps presented greater difficulties in our relations with the developing world. Here again, however, the Government's objective is clear, reasonably satisfactory means have been found, and there is unlikely to be any departure from the trend of policy, which is to create wider and more stable markets in the developed world for the produce of the Third World. Thus Canada will continue to support the various commodity agreements for tropical products. To this, the Government will add -- as the Minister of Finance reaffirmed in the budget speech -- legislation to permit the extension of a general preferential tariff on imports from developing countries.

In response to the needs of the developing world, therefore, the Government's answer is more aid, more effective aid, and improved access to Canadian markets.

Our response to the evolution of the Communist world has been forthcoming also, although in different ways. There has been a rapid and dramatic change in Canada's relations, both with the Soviet Union and with China, in the past two years. Both on the Canadian side and on the side of the Communist countries, there have been factors working for better relations. And the pace of change has no doubt been accelerated by rivalry between the Soviet Union and China.

So far as Canada is concerned, the effort to escape from the sterilities of the Cold War goes back many years, to the period in the Fifties after Stalin's death, when it seemed that a different sort of relationship with the Soviet Union might be possible. This period brought our first trade agreement with the Soviet Union, but it took years of carefully-increased contacts before the exchange of visits between Mr. Trudeau and Mr. Kosygin finally became possible. We had to work and wait for the Soviet Union itself -- driven, no doubt, partly by tension with China, partly by need for Western technology -- to arrive at the point where it was prepared to contemplate self-confident and more relaxed relations with the Western world, including Canada. In this sense, what some critics misunderstood last year as an unwelcome departure in Canadian policy was, in fact, the reward for a long period of prudent but imaginative effort. And it is interesting to see how the United States, with so many more complications to overcome, has been moving to place its relations with the Soviet Union on a similar basis.

So too with China. Our recognition of Peking a year and a half ago was another victory for an idea whose time had come. Again, there was a long and tortuous prelude of negotiation before success was achieved. Initial