

We have also recognized the need for what is called programme or non-project aid. The very pace of development exerts a pressure on such countries as India and Pakistan to use more and more foreign exchange to feed the increasing demands of a growing industrial economy. To meet this need for raw material and spare parts, we have developed a large-scale commodity programme, primarily for the larger Asian countries, and have adopted procedures that enable users to enter into direct relations with Canadian suppliers.

From what I have already said, it will, I think, be clear that Canada's programmes of development assistance represent a significant contribution to the international effort to build a more peaceful and stable world community, capable of meeting successfully the problems of social change and economic development that characterize our times. Aid is, of course, only one of the ways in which the developed countries can contribute to the process of international development. As a result of the work of the United Nations Conference on Trade and Development, we have begun to obtain a clearer understanding of the role which trade can and must play in this process. Unless the trading opportunities of the developing countries are significantly improved, it may well prove impossible for them ever to attain self-sustaining growth.

For many of the developing countries, the export of basic commodities accounts for a large proportion of total earnings from trade, and it is, therefore, a matter of urgency to stabilize and improve their earnings from these commodity exports. This can only be done effectively through international commodity agreements, and Canada has been participating actively in the negotiations which are taking place with respect to several commodities. There is need also to open up larger markets for the products of the industries which the developing countries are establishing. While understandably concerned about the possibility of market disruption, Canada has a relatively good record in providing a market for manufactured goods from the developing countries. We are very hopeful that the tariff negotiations currently being concluded in Geneva (the "Kennedy round") will result in a more rational and efficient international division of labour, and thus be of particular benefit to the developing countries as well as to the international community in general.

Because of the increasing realization that trade relations are of great importance in international development, and the failure of aid programmes to have the full impact that had at one time been expected, there are those who argue that trade, not aid, is the real answer to the problem of under-development. This is, I believe, an over-simplification of the issue, for the provision of capital assistance and manpower training under development-assistance programmes, and the provision of wider market opportunities for the products of the developing countries, are really two sides to the same coin of international development. With the experience gained over the past two decades, Canada, like the other countries which have undertaken programmes of development assistance, has come to realize that the task of international development is much more complex, and more formidable, than was once thought. We have realized that a long-term effort will be required, and, with specific reference