

momentum under the aegis of the United Nations. By contrast with 1945, when aid to developing countries was no more than a tentative experiment in international cooperation, in 1965 upwards of \$10 billion in public and private capital moved to the developing world from the industrialized countries with market economies. A decade ago the resources administered by the United Nations family or organizations amounted to \$186 million; today they approach half a billion dollars annually. Measured by the standards of the past, the progress which has been made is formidable; confronted by the needs of the future, it is demonstrably not enough.

I have been frankly appalled at the recent projections of the world food situation. They reveal how drastically world food reserves have fallen in the course of the last five years, and how grave is the prospect of an over-all world food deficit no later than 1985.

For the immediate future, we must maintain the recent upward thrust in the flow of development assistance. In particular we must devote much greater attention to short-term and long-term measures designed to cope with the problem of growing food shortages. While I recognize that aid is only one ingredient in the drive to accelerate the development process, particularly in the agricultural sector, I cannot help feeling that it will be a vital one.

We in Canada are trying to translate that conviction into action. We have diversified the nature of our assistance and the terms on which it is given. Last year we supplemented our technical assistance and grant aid with soft loans - extending fifty-year credits at no interest, with a nominal service charge and a ten-year grace period. This year we have gone further; the service charge has been abolished, our regulations governing the content of grant aid have been relaxed, and we have introduced a new category of loans midway between "hard" and "soft" which will be granted on a thirty-year basis at 3 per cent interest to countries whose economic circumstances so warrant.

Total aid resources available from Canada in the current fiscal year will be in the neighbourhood of \$300 million, having increased on the average by \$50 million a year since 1963. Subject to economic and other relevant circumstances, the expansion of the Canadian aid programme will continue. We have set our sights on the aid target of 1 per cent of national income recommended by the General Assembly and will do our utmost to reach it.