

set an example by maintaining, out of an expanding economy, the upward trend of our foreign aid.

We are doing just that. It is the Government's firm intention to increase our aid budget significantly in the next five years. We are committed to raising our contribution to one per cent of our Gross National Product by the early 1970's. In dollar terms we can look to annual expenditures of over half a billion dollars within five years.

It will be our intention to undertake these substantial increases without impairing or endangering commitments or important initiatives in other areas. It would be the height of irresponsibility to sacrifice - as was suggested in a recent criticism of Canadian foreign policy - our policies on the whole spectrum of world problems (and especially those associations and commitments directed towards collective security) in order to satisfy one requirement. Canada has, and will continue to have, a balanced foreign policy which takes into consideration all the relevant issues.

Another major concern of Canada is the preservation of peace and security in the nuclear age. Some people have argued that world conditions are such that Canada could reduce radically or even dispense with its military contributions towards collective and co-operative defence arrangements.

As to NATO, no one would deny that significant changes have taken place in the years since the Alliance was founded: Europe has recovered economically and is better able to provide for its own defence; in addition, tension in Central Europe has declined, bringing some improvement in East-West relations. Yet