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regions would gain a locational advantage for industry, should Canadian trade patterns shift towards these overseas markets. Similarly, the Western Provinces would undoubtedly benefit from the expansion of our markets in Asia.

In conclusion, I should like to emphasize that, irrespective of the new trade and financial arrangements that the international community might be able to implement in coming years, there will always be a considerable need for development assistance. Even the best of arrangements will never fit adequately the requirements and conditions peculiar to each country; and we cannot expect the economic benefits from such arrangements to be distributed equitably among all developing countries. Oil, for example, is and will remain a more valuable product than iron ore or cocoa; the bargaining power of some commodity-producers will always be greater than that of others because some resources are concentrated in fewer countries; and, of course, there are quite a number of places in this world with few resources in relation to the population they must sustain, whose development, consequently, will require substantially more outside capital.

So, no matter what transformations occur in the world economy, the wealthier countries will have to maintain development-assistance programs. It may not be the answer to the problems of the Third World, but it is certainly an essential component of the development equation. In fact, I should compare the function of international aid to that of equalization payments and other federal grants within the Canadian framework; it seeks to ensure that, in the long run, none of the peoples in the community of nations will be forced, for lack of means, to live below the minimum standard set for human decency.

In this respect, I should say that I have been most concerned recently by the stagnating levels of development assistance in many traditional donor countries and by the cuts that economic difficulties have forced some donors to practise in their aid budgets. These alarming developments, unfortunately, buttress the point I made earlier -- that economic interdependence is a reality from which there is no escape. The balance-of-payments difficulties of one group of countries, which have caused them to reduce their financial assistance to a second group of countries, resulted less from domestic mismanagement of their economy than from a fourfold increase in the price of energy imposed by a third group of countries! And the downward spiral can go on: less development assistance will mean fewer imports by developing countries; fewer imports will mean a smaller output of manufactured goods by industrialized countries; less output of manufactured goods will mean fewer imports of raw