

They are working to adjust relations between themselves -- above all, the nuclear relationship which lies at the heart of their power status. And they are obliged increasingly to share the stage with other power centres in the world whose influence upon events is growing.

For a country like Canada -- an outward-looking developed Western country with a positive view of its international responsibilities --, this emerging world order presents both opportunities and problems. It presents opportunities to diversify the nation's political and economic relationships in ways that strengthen national unity and reduce excessive dependence upon the United States. Canadians have shown themselves to be loyal allies. They continue to be. But I doubt if Canadians were ever entirely comfortable in a world in which policy was so dominated by military considerations as the one from which we are now emerging. They will feel more at ease now that they have more international elbow-room. They will want to continue to break new ground in developing relations with the Soviet Union and China. They will derive satisfaction from increasing participation in the progress of the developing countries.

At the same time, Canadians will want to use their new-found elbow-room to come to grips with the problems of the new international context -- above all, with the problem of how to avoid isolation in a world increasingly divided into trading blocs.... Abroad, we will have to work to create the sort of international circumstances in which such an economy can flourish. The Government has already indicated its firm support for the new round of international trade negotiations the United States has proposed. The budget speech drew attention also to the contribution that will be expected of us in adapting international monetary mechanisms as well. And we will have to attack the particular problems that our relations with our different trading partners now present. To these I would now like to turn.

Take the easiest first: Canada's relations with the developing world. The idea that Canada should make a constructive contribution to the economic progress of the Third World through trade and aid has always found ready acceptance among Canadians. In our bilateral relations with the developing countries we had to start from scratch. In Asia these relations are only a quarter of a century old; in Africa and elsewhere, only a decade. I was the first Canadian foreign minister to visit Black Africa, and that was only a little over a year ago. Against all the advantages of starting with no colonial past, we have had all the disadvantages of inexperience.

In the past quarter-century, the Government's interests in the Third World have continued to increase rapidly. Our aid programs are evidence of this. Aid appropriations are now close to half a billion dollars a year. They will continue to grow with the growth in gross national product. During the last fiscal year, we reached a level of 0.44 per cent of GNP for official aid against a target of 0.70 per cent. Just last week, Canada became a member of the Inter-American Development Bank. This involved a major new commitment to multilateral aid, which will total \$100 million in the next three years.