

We are major contributors to such multilateral agencies as the World Bank, the International Development Agency, the UN Development Program and to the regional development banks in Latin America, Asia and the Caribbean as well as to such international organizations as the World Food Program.

A lot of debate amongst ourselves has centered on the value of these programs. They have received criticism but it is not without pride that we make contributions in the field of international development.

### INVESTMENT AND TRADE

However important aid can be, investment and trade are more so. Eighty per cent of the foreign-exchange earnings of the developing countries are accountable to international trade.

Mr. Pearson once said:

"There is little logic in encouraging growth in developing countries through aid and other measures while imposing barriers against imports of products they can appropriately produce on a competitive scale."

This is generally accepted. There is a growing awareness and understanding in Canada and in the international community of the degree to which developing countries are dependent upon their export earnings to pay for their imports of capital equipment.

The goal of the international development effort should be to put the developing countries in a position where they can realize their aspirations with regard to economic progress without relying on foreign aid. Trade must provide the missing link in their evolution from poverty to affluence.

The question is how? How can trade and its extension investment, contribute in bridging the development gaps between developed and developing countries?

This is not an easy question to answer. Let us assess some of the difficulties.

The complexity of the development process was underestimated by the classical approach to economic growth as a simple operation of capital injection. This was the pattern followed in Canada. But all the countries which face these tasks now cannot benefit from the same economic base, resource potential or educational levels. Repeatedly, African and Asian leaders have pleaded with advisers from the developed countries to gain a better understanding of the physical and cultural environment of their countries, before suggesting programs for development.

The problem is also oversimplified by the convenient shorthand which consists in classifying countries as "developed" or "developing" countries.