

commodity agreements in coffee and sugar; and Canadian representatives are now working on a cocoa agreement in Geneva. In short, I think Canada is going to UNCTAD III in a fairly good position.

International Development Assistance

In a world where many things are changing for the better, it is disappointing that the problems of the developing countries should remain so intractable. Much progress has been made through the exertion of these countries and the efforts of the donor countries to accelerate their development. Many developing countries are experiencing a more rapid rate of economic growth. But the gap between the industrial world and the developing world generally continues to widen. Aid flows have not kept pace with the needs of developing countries. Some of these countries carry disturbingly heavy debt burdens. In most, rapid population increases have absorbed increases in their national wealth with little improvement to show in the standard of living. It is increasingly clear that the problems are not amenable to easy solutions. Imaginative and innovative proposals are essential if we are to come to grips with these problems.

Canadian development assistance programmes have grown very rapidly over the past few years. They continue to grow. In 1972/73, appropriations for Canadian assistance programmes will total \$491 million. This is an increase of more than 15% over the previous year. We have made progress towards the aid target expressed as a percent of GNP and broadly accepted by the international community. During the last fiscal year we reached a level of expenditure of 0.44% of GNP for official development assistance against a target of 0.70%. Seventy per cent of our development funds go to programmes negotiated on a government-to-government basis between Canada and the developing countries.

An important part of the Government's 1970 review of foreign policy related to Canadian international development assistance efforts. The review raised some fundamental questions about aid: Why should Canada help developing countries? Is it in our national interest? What is needed to make this aid welcome in developing countries? These questions will always be with us, but the review helped to clarify our approach. Development assistance is in the Canadian interest. It builds stronger ties between Canada and the developing countries in terms of Canadian exports and resulting employment in Canada, the development of future markets and better reciprocal understanding. It helps to fulfil the aspirations of the developing countries and thereby contributes to stability in the world. For these countries, development assistance based on objective criteria can fit well into their plans for economic and social development.