

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 programmes 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 GNP. During the last fiscal year, we reached a level of 0.44% of GNP for official aid against a target of 0.70%. 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.

We have a clear objective, and have now developed the basic means of reaching it. The problems of the coming years will be ones of refinement. We're in danger of being stretched too thin. We want to be sure our aid has the maximum development impact. We want to see to it that the needs of the developing countries are matched to Canadian skills and resources in the best way we know how. Parenthetically, I might add that Canadian businessmen have not been as alert to take advantage of opportunities in this area as they should have been. It is questions of this sort which will be concerning the Government. While they are important, it will be clear to you that they imply no change in the general trend of our policy.

Trade problems have perhaps presented greater difficulties in our relations with the developing world. Here again, however, the Government's objective is clear, reasonably satisfactory means have been found, and there is unlikely to be any departure from the trend of policy, which is to create wider and more stable markets in the developed world for the produce of the Third World. Thus Canada will continue to support the various commodity agreements for tropical products. To this, the Government will add -- as the Minister of Finance re-affirmed in the Budget speech -- legislation to permit the extension of a general preferential tariff on imports from developing countries.

In response to the needs of the developing world, therefore, the Government's response is more aid, more effective aid, and improved access to Canadian markets.

Our response to the evolution of the communist world has been forthcoming also, although in different ways. There has been a rapid and dramatic change in Canada's relations both with the Soviet Union and with China in the past two years. Both on the Canadian side and on the side of the communist countries, there have been factors working for better relations. And the pace of change has no doubt been accelerated by rivalry between the Soviet Union and China.