

The first major area of foreign policy that I would like to mention is under-development and foreign aid. Some have argued that, even if development is a problem in the poor countries, it is not Canada's problem and that we need not become involved. To my way of thinking, no point of view could be more short-sighted; the needs are so great and the alternatives to rapid growth so unacceptable that more, not fewer, resources must be channelled to the less-developed countries. Canadians have acknowledged the need and have responded positively to the idea that Canada has a significant part to play in the development of the "third world". Over the past two decades, our country has built up an aid programme which this year will exceed \$300 million in equipment, expertise, training and commodities. We have active programmes around the world in Asia, Africa and the West Indies. You may be aware of the fact that some other aid-giving countries have been levelling off their contributions or actually allowing them to decline. In the face of this movement, we have even greater responsibility to set an example by maintaining, out of an expanding economy, the upward trend of our foreign aid.

We are doing just that. It is the Government's firm intention to increase our aid budget significantly in the next five years. We are committed to raising our contribution to one per cent of our gross national product by the early 1970s. In dollar terms, we can look to annual expenditures of over half a billion dollars within five years.

It will be our intention to undertake these substantial increases without impairing or endangering commitments or important initiatives in other areas. It would be the height of irresponsibility to sacrifice -- as was suggested in a recent criticism of Canadian foreign policy -- our policies on the whole spectrum of world problems (and especially those associations and commitments directed towards collective security) in order to satisfy one requirement. Canada has, and will continue to have, a balanced foreign policy, which takes into consideration all the relevant issues.

Another major concern of Canada is the preservation of peace and security in the nuclear age. Some people have argued that world conditions are such that Canada could reduce radically, or even dispense with, its military contributions towards collective and co-operative defence arrangements.

As to NATO, no one would deny that significant changes have taken place in the years since the alliance was founded. Europe has recovered economically and is better able to provide for its own defence; in addition, tension in Central Europe has declined, bringing some improvement in East-West relations. Yet we should do well to remember:

- (1) That there is no peace settlement in Europe and no immediate prospect of one;
- (2) that a prime source of tension -- the division of Europe, and more particularly of Germany -- continues;
- (3) that the U.S.S.R. is militarily stronger than it has ever been in the past and retains massive forces in Eastern Europe; and
- (4) that, despite its progress, Europe alone could not withstand a revival of Soviet political pressure, let alone the pressure of Soviet military power.