

munity development. Economic planners in most Latin American countries are now placing increasing emphasis on activities in these fields. Canada has proven expertise in these fields and the ultimate return on a relatively small investment in technical assistance is often disproportionately high. Canadian technical assistance could also be channelled into other fields in which Canada has experience—e.g., fisheries, forestry, the whole area of renewable-resource development, mining and earth sciences generally, management techniques, and legal arrangements associated with these types of economic activity.

At the same time, there is still a shortage of capital in most Latin American countries and a requirement for foreign funds to supplement local resources employed for development purposes. On the average, domestic savings account for about 90 per cent of investment in Latin American countries. Clearly, capital assistance devoted to projects that have high priority in the development process can serve a useful purpose. Capital projects, of course, frequently contain a significant element of technical training and technological transfer within them; while technical assistance programmes can be correlated with programmes of capital investment. Broadly speaking, both technical and capital assistance can be used to good effect in support of those institutions which contribute fundamentally to economic development, particularly those institutions capable of a broad regional impact.

Canadian assistance programmes for Latin America, whether of a capital or technical assistance nature, could be conducted through bilateral or multilateral channels or a combination of both. Multilateral channels are already available in the form of OAS arrangements, the IDB and other regional institutions. As mentioned above, Canada already provides capital assistance through the IDB, and these arrangements could be furthered and probably improved in a mutually satisfactory way. Other possibilities in the capital assistance field would be to join the IDB, if this could be arranged on mutually acceptable terms to mount a bilateral capital assistance programme. Technical assistance could be carried out either through OAS channels or on a government-to-government basis. In choosing among these methods, one of the chief considerations to be taken into account is the need to foster important indigenous institutions both by using them as channels for Canadian aid and by extending capital or technical assistance directly to them.

The Canadian interest in Latin America economic and social development is also expressed through participation in the work of some inter-American organizations and in the activities of certain United Nations