

Food aid

The reason why the Canadian International Development Agency collaborates particularly closely with the IDRC in the agricultural field is the sure knowledge that the ideal to be sought is food self-sufficiency in the Third World. But CIDA also knows, like the rest of the world, that food aid is likely to remain useful, and sometimes indispensable, until 1980, and probably later. The cereal deficit was 45 million tonnes in the critical year 1974-1975; according to the International Food Policy Research Institute, it might be 100 million tonnes in 1985-1986. Canada consumes nearly half the cereals it produces. It is natural that it should export cereals (in 1976, it was one of only four net exporters of grain in the world, the others being the United States, Australia and New Zealand). It is also natural that food aid should play an important part in Canadian co-operation in international development. Food aid, constituting a substantial element, as has been seen, of Canadian co-operation through multi-lateral channels, comes immediately after economic assistance in the allocation of funds assigned to bilateral aid. In 1976-1977, CIDA spent \$149.44 million to provide food aid to 22 countries and two regions, one in Southeast Asia and the other in Africa's Sahel. The first purpose of this assistance is to combat the chronic underfeeding and malnutrition of particularly vulnerable groups, such as young children, mothers and aged and indigent persons. As it is, in the vast majority of cases, a matter of gifts, this form of aid also contributes to protecting the balance of payments of the countries that benefit from it and to husbanding their foreign-currency reserves.

In order to avoid disturbing agricultural production or, worse still, creating conditions of dependence just where the search for self-sufficiency should be encouraged, the food given is not distributed free. The recipient government sells it. The money it collects constitutes counterpart funds, separately accounted for, and is used to finance national-development projects approved by Canada. It was in this way, for example, that the afforestation programs in Algeria were financed. When opportunity offers, the counterpart funds are unblocked to increase the general development budget of the beneficiary country.

In 1975-1976, the bulk of the food aid dispensed under the CIDA bilateral-aid program was again routed to Southeast Asia, especially India (\$61.6 million) and Bangladesh (\$25.81 million). In