

firms will, in general, only be considered if the majority ownership is in Canadian hands.

In most instances, CIDA's "untying" authority is used to help finance "local costs" -- that is, costs incurred in the recipient country. Occasionally, CIDA will recommend to the Minister the purchase of goods and services from other developing countries and, very exceptionally, from other donor countries, when such components are essential for the completion of a specific project.

CIDA's policy is to provide assistance in those sectors considered of high priority by developing countries and in which Canada has something worthwhile to offer. In the primary sector, therefore, considerable assistance has been provided in the agricultural, fisheries, forestry and mineral areas; in the secondary sector, the focus has been on the development and distribution of local energy sources; and in the tertiary sector, CIDA's main thrusts have been in education, transportation and communications, with lesser emphasis on health, including water-supply and sewage-disposal, and family planning. Wherever feasible, the policy of the agency has been to improve the overall living conditions of the poorer segments of the population in question.

I should add that our development-assistance program also reflects, as it must, Canada's political interests in the world. This Committee is aware of our historic commitment since the Colombo Plan to the social and economic betterment of the Commonwealth countries in the Indian subcontinent. Unfortunate events have led us to review some of our assistance programs to India; with the co-operation of the Indian authorities, however, we hope to complete this review during the coming fiscal year. The threat of famine has also forced us to emphasize food aid and emergency relief in our assistance to Bangladesh; but we intend to revert to a more balanced program as soon as conditions in that country allow us to do so.

More recently, Indonesia has emerged as a substantial recipient of Canadian assistance, and, in spite of that country's growing receipts from oil and other raw-material exports, we expect it will remain a prime candidate for international assistance in the foreseeable future. Indonesia's GNP *per capita* barely rose from \$80 to approximately \$100 between 1972 and 1974. Over all, some \$305 million, almost one-third of total outlays in 1975-76, will be channelled to Asia.

The value and distribution of funds allocated to Africa, more than 22 per cent of CIDA's total disbursements, are fully justified by the dismally low incomes of most African peoples and by the