

with what other major donors are providing, there should be available for implementing Canada's bilateral-assistance programmes facilities for lending of the type now carried out by the International Development Association, involving such features as long-maturity periods, liberal grace periods, and little or no interest. It is proposed, therefore, that a lending programme of this type should be commenced in the fiscal year 1964-65, with an initial ceiling for commitments of \$50 million.

It is the Government's intention to ask Parliament to make separate provision beginning in 1964-65 for a food-aid programme, as already announced by the Minister of Trade and Commerce, and for Canada's contribution to the Indus Basin Development Fund, which was set up in an effort to resolve the difficult dispute between India and Pakistan over the use of the waters of the Indus Basin. There are now included in Canada's bilateral-grant aid programmes, which will be continued in 1964-65 at their present level of about \$50 million, but which will in the future be limited to the provision of project assistance, the supply of industrial commodities and the carrying out of technical assistance for the developing countries. The result will be a significant increase in our grant aid.

These improvements in our aid programmes would, of course, be additional to Canada's other existing programmes of assistance, including our long-term financing arrangements under the Export Credits Insurance Act and our contributions to the multilateral programmes of the United Nations. Recent references have been made in the House to the increased Canadian contribution to the United Nations Special Fund and the International Development Association.

In the current fiscal year, it is expected that the over-all level of Canada's expenditures for assistance to less-developed countries will be in the neighbourhood of \$120 million. It is the Government's intention to seek authority to make available an additional \$70 million in 1964-65. It is, of course, not possible at this stage to forecast an actual expenditure level for 1964-65; but it is expected that, with the new resources available, the level might be in the range of \$180 million to \$190 million.

The over-all programme which I have described will be a flexible one designed to place Canada in a position to make an effective response to changing national and international circumstances. In particular, it will provide:

- (1) aid to Colombo Plan countries of Asia at a higher level than was provided prior to the reduction in 1962;
- (2) a more comprehensive and sizable Canadian programme for the Commonwealth countries of the Caribbean. In this connection, it will be remembered that, when the Prime Minister of Canada saw the President of the United States, he indicated that it was Canada's intention to increase its assistance to the Commonwealth countries of the Caribbean with which Canada, of course, has a long and historic association;
- (3) a larger and more effective programme for Africa, including the French-speaking states;