

believes that the Corporation's stated policy of encouragement of joint ventures with local investors will prove highly beneficial. Other kinds of conditions involved are suggested in this Report's section on "Private Investment".

Other than investment insurance, there are a number of mechanisms for investment-promotion in developing countries which could be initiated or expanded by the Canadian Government. Pre-investment studies (e.g. resource surveys, etc.) have been part of Canadian official assistance in the past. These, and perhaps even specific feasibility studies, could increasingly be performed at the request of recipient governments.

CIDA's Business and Industry Division will, hopefully, have an expanding role in serving as a "clearing house" for information on investment opportunities—soliciting and collecting data from developing countries and making them available to potential investors in Canada.

If CIDA, as suggested earlier in this section, were in future to provide "programme" assistance to the Caribbean governments, it would have the useful side-effect of offsetting the cost of incentives provided to investors and would thus assist in the expansion of this activity.

#### ii) *A "Canadian Overseas Development Corporation"*

One of the Committee's early witnesses, suggested that a Canadian financing corporation (along the lines of Britain's Commonwealth Development Corporation) could play an important part in stimulating local activity in the private sector in the Caribbean. This role, he felt, would effectively complement Canada's development assistance through the bilateral programme and through the Regional Development Bank.

The Committee recognizes that the establishment of such a corporation would involve a very substantial new outlay in budgetary and administrative resources. It does seem, however, to be a promising proposal which merits further study by the Canadian Government, and one which should possibly be given high priority if the Government continues to expand its overall development assistance effort. The corporate form itself probably would have a number of important advantages in terms of securing finances, attracting personnel, and operating a flexible administration.

The utility of such a development corporation would probably be highest in areas like the Commonwealth Caribbean, where there is a fairly well-developed physical and administrative infra-structure and a suitable labour force. The corporation would contribute not only needed capital, but also entrepreneurial and marketing skills. In the Commonwealth Caribbean it could also fill a particularly urgent need by serving as a vehicle for the increasing involvement of local investors in joint ventures.

The development corporation could also be a mechanism for providing new types of development assistance. The Committee's proposal, (in the section on