

agreements has begun to be established among the rich countries on the "tying" of bilateral aid.

Canada, in its "co-operation strategy" for 1975-1980, confirms its desire to liberalize the terms of this assistance and notably envisages extending to developing countries the right to call for tenders for certain contracts financed by its development-assistance loans. A committee is preparing the administrative setting for such a liberalization.

Meanwhile, the goods and services procured by bilateral aid must continue to have a fixed "Canadian content", either of personnel or products. For the latter, the normal minimum is 66 $\frac{2}{3}$ per cent of Canadian value added. The Canadian Government, however, careful to maintain the greatest possible flexibility in its bilateral aid and to take account of the circumstances of its Third World partners, has adopted two important measures. The first authorizes CIDA to "untie" up to 20 per cent of bilateral aid. When circumstances justify it, a poor country may thus benefit under a form of "untied" assistance from what other programs have allowed to accumulate in "surplus Canadian content" — if it may be so expressed in relation to the general standard. The second measure permits CIDA to pay all shipping costs. As Canada has no merchant fleet, this in fact still makes it possible to "untie" 15 per cent of bilateral aid. As regards its financing, Canada has always ensured that the "gift element" largely predominates. In 1975-1976, this form of assistance was financed by subsidies and \$184 million in loans. These loans are on such liberal terms that they are almost subsidies. Most of them have a term of 50 years, bear no interest and benefit from a ten-year amortization period. Other Canadian loans for bilateral aid are granted on conditions almost as generous: 3 per cent interest, seven-year amortization period, and a term of 30 years. The 30-year loans granted to countries nearer to "emergence", or that benefit from economic circumstances, are rarer (three in 1976), inasmuch as Canada directs its co-operation primarily to the socio-economic regeneration of the more-disadvantaged countries and peoples. The various crises of recent years have had more victims than beneficiaries among the countries with which Canada maintains bilateral-assistance relations in the Third World.

Of those countries, there were, in 1977, 12 among the less-developed that benefited from interest-free loans from CIDA. At the