

on the good will of citizens, on voluntary organizations. To these main channels of public aid, which lead to the more diverse forms of development, there may be added other routes towards particular objectives. This is the case with food aid, aid for the purchase of basic products, lines-of-credit (an arrangement that eliminates a large number of formalities), emergency assistance and programs encouraging preinvestment.

Bilateral aid

Bilateral aid results from agreements between two governments. The implementation of specific projects and programs constitutes its principal component, but it also includes food aid and aid in basic products and lines-of-credit, concerning which it is preferable to explain the particular purposes and mechanisms separately.

In any event, such was the case in 1976-1977, as in previous years, when the bulk of the funds for bilateral aid was devoted to the implementation of projects and programs, with more than \$263 million actually paid out. Total disbursements for bilateral aid — which every year absorbs more money than the other forms of Canadian assistance — amounted to \$477.73 million in 1976-1977.

To speak of the implementation of projects and programs does not refer to financing alone but also to the provision of equipment, products, technology and services or, as it is called, "technical assistance".

It was not Canada's idea to "tie" bilateral aid to an obligation to procure from the donor a specified proportion of the goods and services necessary for the execution of a bilateral-assistance agreement. This is one of the cases — in fact, the most manifest one — in which international usage has long determined the method of giving. The economy of a donor country may recover a large part of any assistance provided in this form, in addition to which the donor is enabled to display its resources in foreign markets. There is no doubt that it is thus easier to persuade public opinion in a developed country to devote larger and larger credits to public aid. It may happen, on the other hand, that a developing country feels itself to be the captive of "tied" bilateral aid: could the \$1,000 that must be spent in the donor country for an article procure two of them in another country? Yes! But in what other country? Another developed country?

The business is so confused that it is only since 1975 that