



Bulletin

Vol. 23, No. 40

October 2, 1968

CANADA'S EXTERNAL AID 1968-69

The Canadian Government has announced details of its external economic assistance plans for the 1968-69 fiscal year. Mr. Mitchell Sharp, Secretary of State for External Affairs, said that exclusive of export credits the programme would reach a new level of \$291 million - \$38 million more than the amount allotted for the last fiscal year.

This year's figure does not include Section 21A loans to developing countries by the Export Credits Insurance Corporation, which are calculated with the official aid programme to produce a total contribution to international development. In the fiscal year 1967-68 the programme level was \$253,100,000. In addition, \$63,600,000 was advanced under Section 21A credits - a total of \$316,700,000.

The programme includes \$48 million to multi-lateral development agencies, part of which will help replenish the funds of the International Development Association, the World Bank agency that extends loans on concessional terms. The remaining \$243,100,000 will be allocated through grants of \$68,100,000 (\$50 million last year), interest-free and medium term development loans of \$106 million (\$90 million last year), and food aid, which drops from last year's figure of \$75 million to \$69 million. The reason for the decline is the improved crop production of developing countries, particularly that of India, which is reporting an exceptional harvest.

The largest percentage increases in programme assistance go to French-speaking countries of Africa and to the Commonwealth Caribbean region.

The total of grants, loans and food aid allocated to the former area is 22.5 million, an increase of 87 per cent over the 1967-68 allocation. The latter will be eligible to receive \$22 million compared to \$17,200,000 during the last fiscal year.

CONTENTS

Canada's External Aid 1968-69	1
Czechoslovak Art in Canada	2
Winners of Cartoon Contest	2
The Future of French in North America.....	3
Fitness Council Appointments	4
Canadian-Owned Broadcasting	5
Lake Ontario Claims Settled	5
UN Delegation	5
Dutch Housing Experts Visit	6
Arctic Trails of Ice-Plow Successful	6

Mr. Sharp said that the Government was continuing to develop its policy of concentrating the bulk of Canadian assistance in countries where it would clearly contribute to the effectiveness of development efforts.

SOUTH AND SOUTHEAST ASIA

Grants to India are being increased to \$6 million from \$2 million and the level of development loans is being maintained at \$38 million. The increase in grant funds will help India to meet its substantial need for foreign exchange. Work will continue on projects financed by Canada such as the Idikki Dam in Kerala State, and emphasis is being placed on the provision of commodities, fertilizers and agricultural assistance. Increases in crop production make it possible to reduce planned food aid from \$50 million in 1967-68 to \$40 million.

Grants to Pakistan are being increased to \$4 million from \$2 million and development loans will be maintained at \$18 million. Work will continue on the Karachi Nuclear Power Plant and the East-West interconnector electrical transmission line, and other projects are being considered for financing in 1968-69. Increases in crop production have made it possible to reduce food-aid allocations from \$8.5 million in 1967-68 to \$5 million.

Canada's allocation to Ceylon is being maintained at the level of \$4.5 million. (This figure includes \$500,000 in grants, \$2 million in loans and \$2 million in food aid.) Construction of the Katunayake Airport, Canada's major aid project in Ceylon, was completed in 1968.