

Policy towards developing countries

As part of a general review by the Canadian Government of its relations with developing countries, increasing emphasis has been placed on those in the middle and upper income ranges. Since the traditional program of development assistance, with its emphasis on the poorest nations, has had little relevance for many of the higher-income developing countries, a program of industrial co-operation is now being designed to encourage investment in developing countries possessing an established industrial base.

While the new Canadian policy is still in the stage of formulation, it is believed that, by co-ordinating a number of existing programs and creating some new ones both within and outside the "aid" field as such, small and medium-sized Canadian companies may be encouraged to undertake enterprises in selected developing countries. Such an enterprise might take the form of direct investment, a joint venture, or some other kind of corporate link. In turn, the growth of Canada's export-oriented industrial sector and, indeed, its export performance would be boosted by the stimulation of demand for Canadian plant and technology. At the same time, undertakings of this sort would contribute to the development of the industries of "partner" developing countries.

At the multilateral level, the Department has been involved in the negotiation, within the framework of UNCTAD, of an international code of conduct on the transfer of technology. It has also continued to follow closely the activities of the United Nations Organization for Industrial Development and has participated in the work of the intergovernmental committee responsible for drafting a new constitution for UNIDO as a Specialized Agency of the United Nations.

Development assistance

Canada's official development-assistance program during the fiscal year ending March 31, 1977, reached a record total-disbursement level of \$963.6 million (inclusive of food aid).

Canada reaffirmed its commitment to the UN aid target of 0.7 per cent of gross national product (GNP), while giving greater attention to the quality of its aid.

Bilateral disbursements continued to be concentrated on the poorest developing countries, in accordance with one of the principal objectives set out in the *Strategy for International Development Co-operation 1975-80*. Canada also supported a number of leading multilateral institutions, such as the World Bank, regional development banks and the UNDP with payments totalling \$189.8 million, or 20 per cent of the total.

Once again, Canada exceeded its 1974 pledge to the World Food Conference to contribute one million tonnes of grain as food aid annually for three years. The bilateral portion consisted of 669,974 tonnes of grain and grain equivalents and \$56.1-million worth of non-grain foods, while the multilateral contribution was made up of 351,897 tonnes of grain and grain equivalents and \$36.9-million worth of non-grain foods. Food-aid expenditures during the year ending March 31, 1977, totalled \$237.51 million.

The administration of the Canadian development-assistance program was chiefly the responsibility of the Canadian International Development Agency, which reports to Parliament through the Secretary of State for External Affairs. The Department of External Affairs co-operated with CIDA and other government entities in elaborating policy and ensuring co-ordination with other Canadian foreign-policy aims. Canadian posts in the developing countries also contributed personnel to help administer the program.