

the statement of the Minister of Finance, Mr. Mitchell Sharp, to the Canadian Club of Toronto on January 3, 1966, when he said:

"The Government plans a growing programme in this field of international aid, despite the increasing claim that this must put upon our resources in competition with our own requirements. I am confident that this policy will have the support of a vast majority of the Canadian people."

However, the magnitude of the task is such that it cannot be solved by bilateral or multilateral programmes alone. While both kinds of programmes have their respective and important roles, there is also a growing need for closer collaboration and co-ordination between them. One recent initiative involving such co-operation has been the consultative groups sponsored by the World Bank, which have brought together aid-giving countries and international financial agencies.

Broadly speaking, these groups are designed to provide a framework within which several aid-giving countries can provide more effective development assistance. Through the consultative groups, aid-giving countries are able to make a better assessment of the development potential, performance and aid requirements of the developing country, adapt the character and terms of their aid to its special circumstances and identify and attend to its priority needs. The groups also provide a forum where the aid-givers can discuss among themselves, and with the recipient country, the terms of aid appropriate for the country's financial position. And this consultation and co-ordination take place under the auspices of an international agency, namely the World Bank, which represents the interests of both aid-giving and aid-receiving countries. The consultative groups make it possible for a donor country, such as Canada, to preserve the identity of its contribution, ensure that it is effectively and efficiently used and take full advantage of the experience and knowledge of the World Bank. An aid-giving country has nothing to lose but everything to gain by participating in these groups.

Canada is a member of some of the new consultative groups which have been organized to co-ordinate financial and other assistance to six countries in Africa, Asia and Latin America. Canada is also one of the ten countries which have participated in the consortium for India and one of the nine in the consortium for Pakistan.

Another example of such co-operation is the agreement signed by Sweden and the Bank's affiliate, the International Development Association, whereby they will jointly provide the equivalent of \$24 million to Pakistan to help finance a project for the storage and handling of food grains in East Pakistan. The Swedish credit, amounting to \$4.8 million, is for a term of 20 years at 2 per cent interest; the IDA credit of \$18.2 million is on IDA's usual terms, i.e. it is repayable over 50 years free of interest.

Perhaps the Swedish example might prompt a similar response from Canada. I can assure you that the Bank would be most receptive to any initiative of this sort.