

CHAPTER 3: NORTH/SOUTH RELATIONS

Development assistance

Canada's development-assistance program during the fiscal year ending March 31, 1978, reached a record total-disbursement level of \$1,276.9 million (including \$231.9 million in debt cancellation).

Bilateral disbursements continued to be concentrated on the poorest 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 United Nations Development Program with payments totalling \$410.2 million, or 39 per cent of the total (excluding debt). Food-aid expenditures during the fiscal year totalled \$232.0 million, of which 60 per cent was provided bilaterally.

Commonwealth technical co-operation

The Commonwealth Fund for Technical Co-operation is the principal multilateral mechanism for development assistance within the Commonwealth. Its main purpose is to provide technical assistance, education and training in developing countries.

Canada, which has contributed approximately 40 per cent of the resources of the fund, regards it as an effective instrument of development co-operation. Accordingly, at the Commonwealth heads-of-government meeting in June 1977, Prime Minister Trudeau announced that Canada would contribute \$6.5 million to the fund in the fiscal year 1977-78 and \$7.8 million in 1978-79.

The Special Commonwealth Fund for Mozambique, created in 1976 with a target of £1 million, became operational in 1977 and by September 1978 had initiated technical assistance and training projects costing £400,000. Canada has so far contributed \$400,000 to this fund.

Export-financing policy

Canada took part in continuing consultations among industrialized countries for the purpose of lessening unnecessary competition in officially-supported export credits. During 1978, the consensus on export credits was replaced by guidelines to which all members of the Organization for Economic Co-operation and Development (OECD) except Iceland and Turkey adhered. Canada agreed to participate in the new understanding, despite serious shortcomings from this country's point of view, because it represented a continuation of the attempt to maintain some international discipline in the field of credit competition.