

rather the absorptive capacity of recipient countries and CIDA's ability to process and manage more projects efficiently. I should not wish that Canada become one of the first countries to break the .07 percentage barrier if this led to a wastage of Canadian development assistance. At the same time, I intend to see that CIDA's administrative capacities are expanded in an orderly fashion so that Canada may reach efficiently the United Nations target figure.

I might add that, in the future, our development assistance will have to be assessed in a wider framework that includes varied instruments of economic advancement for developing countries: access to industrialized markets, transfers of technology, the regulation and taxation of transnational corporations, the pricing of raw materials and so on. To the extent that these other instruments can be made to generate greater economic for developing countries -- at some cost, evidently, to industrialized countries -- we may well come to a sort of alternative between increases in the flow of development assistance and adjustments in these other elements of the international economic system. This is one of the fundamental issues that will have to be examined as dispassionately as possible at the special session of the UN General Assembly.

Meanwhile, who are the beneficiaries of Canadian development assistance? Some of you may have been disturbed by reports that large sums of CIDA money are being funnelled to the so-called newly-rich countries of the Third World. I shall deal later with some specific cases, but I can state unequivocally to this Committee that these reports are without foundation. Overwhelmingly, CIDA grants and loans have been extended to the poorest countries of the world.

In 1974-75, 70 per cent of funds allocated to CIDA's bilateral programs were channelled to countries with an annual GNP of less than \$200 *per capita*; and 17 per cent of the bilateral assistance budget was disbursed in the 25 least-developed countries.

By contrast, those countries whose GNP *per capita* ranges from \$200 to \$375 have been allocated last year 10 per cent of bilateral assistance funds. The 12 per cent went to countries with *per capita* GNP of more than \$375, mostly in the Caribbean and Latin America.

I point out also that there is a trend towards greater concentration of Canadian development assistance on the very-low-income countries. CIDA's disbursements in the 25 least-developed countries of the world amounted to only 4.5 per cent of its total bilateral budget in 1970-71; but the proportion increased to 10 per cent