

during these past eight months, I should add that much of the thinking in the strategy further clarified concepts that have long shaped Canadian policy, and that these ideas are now receiving increased expression in the form of initiatives that will be taken or projects that will be agreed upon in the near future. Thus, I will not attempt to give a full explanation of what is being done in response to each of the strategy's 21 points, but will limit myself to some essential highlights.

A few days ago I announced the first of a series of sectoral guidelines explaining our policy in regard to the major areas of international development. I am also pleased to tell you that there has been a substantial shift in the emphasis given to various sectors in the planning of projects. Among those projects to which we are currently committed, agriculture, strictly defined, accounts for 13 per cent of dollar value, and ranks third as a sector of concentration, after public utilities and education. But among the projects currently in the planning stage, it ranks first as a sector, and accounts for more than 30 per cent of dollar value.

We are also giving priority to the poorest developing countries. Our early planning for the next five years indicates that 80 per cent of official development assistance will go to the poorest countries, those with an annual GNP in 1973 of \$200 or less, 11 per cent to those in the \$200-\$375 range, and less than 10 per cent to those above that level.

Greater geographic concentration is also a feature of our development strategy. In 1976-77 the number of countries in which we have a systematically planned and continuing development programme will be reduced from 30 to 27. Fifty-six per cent of our bilateral funds will be focused on the ten largest country programmes, and 40 per cent on the five largest.

I will only add that, besides these specific steps, the strategy of course influences the day-to-day operation of our programme, and that many studies or administrative changes are underway or have been completed to make possible the further implementation of the strategy. Among these are such initiatives as the working-out of administrative mechanisms for the untying of Canadian assistance to procurement in developing countries; a major study on what the effects would be -- both the benefits to developing countries and the costs to the Canadian economy -- of full untying; and an examination of the possibility of substituting agricultural inputs for some of our food-aid programme, since the true need is for greater production where the people live rather than unending shipment of food across the oceans.

Having dealt with a number of aspects of Canada's relations with developing countries, I should now like to turn to another matter of immediate concern to Canada.