

to augment its paid-in capital resources by borrowing in world financial markets. It was set up on lines similar to those of the International Bank for Reconstruction and Development, which issues development loans on practical business terms. Except in special cases, purchases with funds loaned by the Bank are made only in member countries, including Canada.

Canadian support was viewed as a logical extension of this country's long and continuing interest in the Colombo Plan region. The Bank is empowered to accept the administration of special funds placed at its disposal by governments. Thus, in addition to Canada's special subscription, it was hoped that procedures could be worked out with the Bank to ensure the most effective use of Canada's resources under bilateral development assistance.

#### Emergency Relief

In 1965-66, the Government included in the external aid vote an item of \$100,000 for emergency relief so that a quick response could be made to appeals on the authority of the Secretary of State for External Affairs. In almost every case, the administrative assistance of the Canadian Red Cross Society is employed in directing the funds to the most appropriate relief purposes. Funds were used in 1965-66 to relieve the effects of natural disasters in Chile, Greece, Pakistan, Yugoslavia, Korea, Jordan and Indonesia.

#### Food Aid

The food needs of India, aggravated in 1965-66 by severe drought, rapidly-increasing population and foreign-exchange problems, brought Canada's food-aid programme into sharp relief and resulted in an increase of \$13 million over the amount provided in 1964-65. Before the end of the fiscal year, the Government announced its intention to seek Parliamentary approval of a \$75 million food-aid budget for 1966-67.

This expansion in direct food aid has been supplemented by the employment of increasing amounts of bilateral assistance for the promotion of agricultural production in the developing nations.

Canada's food and agricultural aid has taken the form of fishing vessels, farm machinery, pesticides, fertilizers, food storage warehouses, refrigeration units, equipment and aircraft for crop spraying.

Hydro-electric projects with which Canada has been associated have involved irrigation, land reclamation, rural electrification and flood control. Canada has also sent overseas a large number of co-operative advisers, agricultural and fisheries experts and has trained many students in its agricultural schools and colleges under external aid programmes. In addition, Canadian contributions of funds and personnel to the programmes of international agencies have helped to establish long-range agricultural development programmes.

Last year, Canada undertook such projects as irrigation and land reclamation (Ghana, \$650,000), fertilizer supply (India, \$3,500,000), resources survey (Malaysia, \$1 million), fertilizer supply (Pakistan, \$875,000) and river-basin development (Ecuador, \$1,260,000).