

I have already pointed out that the initiative in the selection of projects for aid financing rests with the recipient. But, while remaining responsive to the changing needs of the developing countries, continued efforts will be made to maintain a balanced Canadian programme.

Canadian food aid has gone to the unprecedented level of \$75 million this year and places a great responsibility on the Canadian farmer. We are making heavy demands on the technical experts, teachers and educational institutions of Canada in an extensive programme of technical assistance. I have referred to the increased use which is being made of the services of Canadian consultants. All these contribute to a balanced approach, and we wish to maintain this desirable balance in the area of commodity supply.

In the first place, we have recognized the demand for imports of machinery and spare parts to serve current requirements and to stimulate the expansion of existing plants. Under our new arrangements, such goods are financed under what might be broadly described as lines of credit established with aid funds. India and Pakistan this year have the backing of several millions of aid dollars to be used at their discretion to buy, in Canada, such things as bakery units, tools and other equipment. This technique will help Canadian manufacturers to play a large part in the maintenance of the pace of development in these countries and will also introduce new Canadian exports into what we confidently expect will become, over time, growing markets.

Secondly, our revised regulations will enable Canadian producers and Indian and Pakistani importers to enter into long-term purchasing arrangements for the supply of such things as nickel, copper, fertilizer and fertilizer components, aluminum, asbestos, lead, zinc, wood pulp, synthetic rubber and newsprint. While the choice of the commodities to be financed will largely be left to India and Pakistan we will, of course, seek to ensure that an appropriate commodity balance is maintained and that a fair level of commercial purchasing is carried out.

I am sure that these arrangements will lead us towards the goal of increased efficiency, both at home and overseas. I need not stress that there can be no guarantee to a Canadian consultant engineer, interested in feasibility studies or project inauguration - nor to a Canadian producer or manufacturer - that aid financing will necessarily be available for his particular service or product. He must compete for the scarce resources available to the buyer and be in a position to demonstrate not only his capacity to contribute to economic development but that his product or service compares favourably in price and quality with his competitors in Canada and abroad.

As responsible Canadian exporters you would not wish to have it any other way, but you can be assured that the methods and procedures adopted by the External Aid Office are designed to ensure that our aid programme is run on business-like lines, and that the legitimate interests of the Canadian exporter will be respected. Canadian development assistance must serve as a catalyst for private effort. Through our programme Canadian business will establish closer links with private enterprise in less-developed countries and play its full part in raising standards of life and well-being throughout the world in which we live.