

reciprocal understanding. It helps to fulfil the aspirations of the developing countries and thereby contributes to stability in the world. For these countries, development assistance based on objective criteria can fit well into their plans for economic and social development.

The review concluded that our aid should be an integral part of our foreign policy and should be directed to the economic and social development needs of developing countries. In this way, our aid programs reflect both Canadian national interests and the interests of the countries receiving aid. This is well illustrated by some of the criteria used in the allocation of bilateral aid, such as the economic requirements of the recipient countries; Canada's ability to meet these needs; the performance and development prospects of developing countries; their ability to utilize resources effectively for development purposes and the extent to which Canada can have an impact on the economic performance of the recipient country through the assistance program.

#### MULTILATERAL AND BILATERAL PROGRAMS

Another important matter which, as you may recall, we considered in the course of the aid review was how much aid should go through multilateral channels. By making contributions to multilateral institutions, we are able to extend a geographic coverage of our development-assistance funds in a much broader way than it would be possible for us to do under our bilateral programs. We are placing considerable priority on our support to these institutions, such as the World Bank, the regional banks and the United Nations development program. Our contributions to these multilateral institutions currently amount to about 25 per cent of available funds and reach a figure of a little over \$131 million. A particularly important initiative was our decision to seek membership in the Inter-American Development Bank — a decision which will involve contributions totalling approximately \$100 million over three years. In order to achieve full membership, we had to obtain from the members of the Bank a modification of the Bank charter, which previously limited membership to the members of the Organization of American States. The agreements between Canada and the Bank are now in the process of ratification by its members. I am confident that this process will be completed soon. We have also played a leading part in the development of a special fund attached to the African Development Bank which should considerably increase the ability of that institution to carry out its task.

Turning to our bilateral programs, we are entering a new phase in their development. Over the past few years, the funds available for these programs increased very rapidly. We had to be careful not to allow these funds to remain idle and our pipeline of assistance to developing countries to become

unnecessarily large. The creation of effective Canadian mechanisms for the provision of aid put great strain on our administrative resources. These pioneering days are now gradually coming to a close and the solid co-operative base we have created with these countries, our experience and increased resources enable us to achieve a new degree of sophistication in Canadian development assistance. This is very much to be welcomed because the tasks of aid and development are becoming more and more complex.

#### QUALITY AND QUANTITY GROWTH

What about improving the quality of our aid? What of the danger of dispersing our efforts? If we want to have an effective international development-assistance program, it must make the maximum development impact and be efficiently run. It is natural that, as Canada becomes more and more an important source of development assistance, an increasing number of countries should look to us. We must ensure that our aid goes where it can do the most good.

Over the coming year, the Government intends to submit this question to careful examination. We shall look at such questions as: In which sectors do Canadian experience and resources meet the needs of the developing countries best? In which countries will our aid be used most effectively? Should we think in terms of countries of concentration as we did in the past or of continuing and integrated programs in some parts of the world? What about assistance to regional projects?

Without anticipating the results of the careful work which has been initiated, I would expect that our development-assistance program will continue to grow in Africa and Asia, where the requirements of Pakistan, Bangladesh and India are expected to be very large in the future years. I already referred to our membership in the Inter-American Development Bank. This is a reflection of our increasing interest in that part of the world. I would also expect our bilateral technical-assistance programs in Latin America to grow towards a level of \$10 million a year. We have channelled to the Caribbean area by far the largest amount of Canadian aid on a *per capita* basis. We are continuing our efforts to ensure that funds available to the Caribbean are fully and effectively utilized, and particular emphasis will be placed on programs designed to meet the needs of the smaller islands.

#### IMPORTANCE OF RESEARCH

I have commented on our bilateral and multilateral programs. I should also refer to our programs in support of research and non-governmental organizations. Here again, I would see increases over the coming years in the level of our support to these