

(b) "Tying" of aid—A continued policy of "untying" aid which is the best long-term interests of all concerned and would be greatly welcomed by the Caribbean governments.

C.I.D.A. should also explore the possibility of permitting "tied" aid funds to be utilized for procurement in other developing countries. Within the Caribbean region this could have an important impact on industrial development and economic integration.

(c) Local Costs—Further liberalization of the Canadian policy on the payment of "local costs" to take account of "indirect foreign exchange costs" (e.g., the cost of imported components), and to exclude shipping costs from the "local" component.

Future Assistance Planning

6. Future Canadian assistance should concentrate more on direct development of appropriate export sectors of the Caribbean economies. The marketing agency proposed in section 3 of "Trade Relations" above, could be a highly effective vehicle for such assistance. At the same time, Canada's technical assistance in the area should increasingly stress business and public administration, with flexible schemes for relevant extension work and on-the-job training.

A "Canadian Overseas Development Corporation"

7. A "Canadian Overseas Development Corporation" might be able to play an important part in stimulating local activity in the private sector in the Caribbean, complementing Canada's present bilateral assistance and the work of the Regional Development Bank. The possible establishment of such a corporation merits further study by the Canadian Government.

Other Assistance Policies

8. The Report's sections on "Tourism", "Immigration", "Private Investment", and "The Work of Voluntary Agencies" contain specific recommendations for assistance measures in those fields.