

co-operation in the Pacific be constructive and unostentatious in its tone, reflecting the limits of its present capabilities.

In the new Pacific aid programme, selectivity will be essential, both as to countries and fields of operation. In those countries where it will not be practicable to mount full bilateral programmes, Canada can still participate to great advantage through multilateral and regional organizations.

On a regional scale, Canada is already active in the Pacific programmes of the World Bank group and the Asian Development Bank, and it is to be hoped that closer association with the ECAFE can soon be achieved. At a sub-regional level, support of the Mekong Committee, Asian Institute of Technology and the University of the South Pacific appear to be highly effective uses of Canadian aid funds. (A discussion of Canadian programmes in individual Pacific countries may be found in paragraphs 116 to 121).

After the cessation of hostilities in Indochina, the needs for rehabilitation and reconstruction aid will of course be immense, and Canada, because of its non-involvement in the war and its francophone capability, can play a particularly helpful part.

The Committee recommends a vigorous expansion of Canadian assistance to the countries of the South Pacific in co-operation with other outside countries concerned. It is important, however, to acknowledge the need for Canadians to learn more about this area, and to avoid creating paternalistic relationships. The possibility of some form of closer association with the South Pacific Commission merits further examination by the Government.

As in its report on Canada-Caribbean relations (of June 1970), the Committee wishes to stress as forcefully as possible the crucial role of expanding trade opportunities in the economic progress of developing countries. Many of the Committee's recommendations with respect to Canadian imports from the Caribbean are also applicable to Pacific countries. A full discussion of the problems involved for Canada and the new policies needed has also been presented in Chapter IIA of the Report of the Commons Subcommittee on International Development Assistance (29 May, 1971).

Canadian implementation of the Generalized Preference System (GPS) for developing countries is needed as soon as possible to demonstrate a genuine Canadian commitment to development assistance. Once a GPS scheme is in operation, it should be applied as generously as possible and its coverage should be steadily extended as circumstances permit.

Under the right conditions, the flow of Canadian private investment to these countries offers exciting potential for economic co-operation and development. The encouragement offered to potential investors by CIDA and the Export Development Corporation (EDC) is thus a valuable complement to the official aid programme.