

Canada's relative lack of knowledge and experience of most of the developing nations of the Pacific. With a few exceptions, such as Malaysia, Canada has not had aid programmes of substantial size or duration in Pacific countries, nor extensive involvements in other fields.

112. In view of these problems, the Committee believes it probable that Canada's programme of development cooperation in the Pacific will grow gradually, perhaps more gradually than is implied by the Government's Policy Paper. It would be regrettable if the foreign policy review, with its emphasis on "new directions" and greater involvement in the Pacific region were to have led to unrealistic expectations among potential recipient nations as to the amount of aid which Canada may provide. An illustration of this problem is the fact that in the Policy Paper it was stated that Indonesia would become a "country of concentration" for Canadian aid. As a start in this direction, the allocation for that country was doubled to \$5.75 million in 1970. This figure, however, represented only slightly more than one per cent of the total aid received by Indonesia, a country of approximately 120 million people. Even with a continued rapid growth at this rate, it will clearly be some time before the Canadian programme assumes major importance from the Indonesian point of view.

113. In view of the limits on its present capabilities, the Committee considers it vital that Canada's approach to development cooperation in the Pacific be constructive and unostentatious in its tone. To make the most of the limited amounts of Canadian aid available, 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 channels.

B. Regional Channels

114. Canada is already contributing to the Pacific area programmes of the World Bank Group and the Asian Development Bank. On a sub-regional scale, Canadian support of the Mekong Committee has already proved worthwhile and shows continuing potential for the future. Similarly, Canadian assistance to the Asian Institute of Technology in Bangkok, and the University of the South Pacific in Fiji provide widespread development benefits in Southeast Asia and Oceania respectively. A particularly effective element of this assistance is the provision of scholarships for students from neighboring countries to study at these regional institutions. In most cases, this is a more efficient use of funds than bringing students to Canada, and has the further advantage of providing more relevant training conditions and helping to build up the capabilities of the local institutions.

115. Canada has encountered difficulties in pursuing its intention (expressed in the Policy Paper) "to establish closer relations" with the regional United Nations Commission, the Economic Commission for Asia and the Far East (ECAFE). The Secretary of State for External Affairs has said that the Canadian Government is postponing its application for non-regional membership "until after some ques-