

against the deficit. They would result from a process of public examination of foreign and development policy, which Monique Vézina and I initiated when we came to this portfolio.

The Budget and the estimates, do, however, reveal three important changes in our approach to international development.

One concerns non-governmental organizations. We have begun, and we intend to continue, to place even more emphasis on the citizens' instrument of non-governmental organizations. Canada spends a higher proportion of aid money through NGOs than any other major donor. Our 8.7% of ODA for non-governmental organizations is double the proportion supplied through NGOs by Denmark and Norway; triple the percentages of Australia, Belgium and New Zealand and 25% more than Germany, the Netherlands or Sweden. We believe that, if the efforts of NGOs are supported, many of the world's least privileged people will benefit.

A second change concerns the relation between development and trade. You will know there had been an intention to establish a Trade and Development Facility, funded by half the growth in ODA over 0.5%. Since that growth is now not planned for the next five years, we will not establish the separate Trade and Development Facility. We will however, continue to combine the purposes of trade and development, through CIDA's Industrial Cooperation Program, whose budget will increase next year by 17% and through the Export Development Corporation.

A third change - perhaps one of the most important - is that we are adopting a stricter definition of what we consider to be Official Development Assistance. From now on, Canadian ODA will be calculated on an all-grant basis. In previous years' Estimates, there was always a "loan vote". For 1985-86, it was \$200 million dollars. Although that \$200 million dollars was welcomed by recipient countries, it also served to increase their indebtedness. Monies received from the loan segment of our aid program showed up as debt on the books of recipient countries, and often made their discussions with the IMF more difficult.

We are changing that. Canada has always been among the most concessional of donors. Now we will join certain other OECD countries who have adopted "all-grant" programs. We believe our decision to stop counting bilateral loans as ODA is a tangible step toward offering more effective aid to the Third World.