

in which Canada has special competence. It is intended that a portion of the total bilateral funds available, in the order of 20 per cent over the next three to five years, will be allocated to countries other than countries of concentration; this will be primarily for education and technical assistance and for occasional capital projects of high development priority.

The International Development Research Centre

The development process involves profound changes in the sociological and technological characteristics of a developing country. The processes by which these changes take place and the fundamental causes of underdevelopment are still not well understood. There is, however, an apparent relationship between the resources committed to scientific and technological research and development in a country and the state of that country's economic development. Today some 98 per cent of expenditures on research and development continue to be made in the more-industrialized countries and only 2 per cent in less-developed nations. Unless this fundamental imbalance is improved, the disparities between wealthy and less-developed nations will continue to widen. It is to enable Canada to play a special role in meeting this need that Parliament has established the International Development Research Centre. The Centre will be funded from development assistance allocations and will involve active co-operation with Canadian universities and other Canadian and international institutions.

Related Policies

The progress of the developing countries can be affected through every aspect of their relationship with the more-developed countries. Tariffs and other trade restrictions have a direct effect on their ability to improve export earnings and become less dependent on aid. Immigration can deplete their supply of skilled manpower. Fluctuations in world commodity prices can destabilize their foreign-exchange earnings and disrupt the momentum of their development programmes. All these subjects touch upon issues whose primary considerations lie outside the Canadian development assistance programme. Therefore the review did not examine these issues in depth, but it did indicate the direct relevance of Canadian policies in these fields to the progress of the developing countries. The Government, therefore, is concerned to ensure that its policies in these matters take into account its development assistance objectives.