

foothold in the American market. However, a time limit might be placed on the Canadian action which would at the same time be a clear demonstration of the Canadian commitment to the scheme and, in combination with the action of other advanced countries, might favorably influence the course of action in the U.S.

104. It is also indicated in the Canadian offer that "the tariff reductions might be staged over a two-year period." While "staging" is an accepted and necessary principle in implementing liberalization of this kind, the Subcommittee hopes that in this case it will be applied selectively and sparingly so as to minimize further delays in the effective impact of the scheme.

105. The specific tariff reductions referred to in the Canadian offer are described as "the first step in liberalizing tariff treatment for developing countries." It is stated that "the Canadian authorities would consider further reductions in the light of experience." This objective, the Subcommittee believes, should be kept in the forefront of trade policy considerations and should probably be one of the prime continuing concerns of CIDA's new Economics Division.

106. On the basis of common interest, Canada has in the past worked actively for freer international trade in primary commodities and the improvement and stabilization of commodity prices. This is of continuing importance. A sizeable list of agricultural exports of developing countries will benefit under the Canadian Generalized Preference System. Although industrial primary commodities, (most of which already enter Canada duty-free), will not, in principle, be eligible for preferences, the Canadian offer notes that "In practice... it may be possible for Canada to grant preferences on selected individual primary commodities." In the cases of both agricultural products and industrial materials of special importance to developing countries, the Subcommittee hopes that it will be possible for Canada to steadily widen and deepen the preferential coverage offered. It should also be noted that in the recent past there have been important experiments in which producer-countries in specific commodities, particularly in oil, have come together to improve their bargaining power in price negotiations. It remains to be seen how much broader the applicability of this kind of cooperation may be, but from a number of points of view, including that of development assistance, it is a precedent of importance to Canada.

107. As we noted earlier, the present limited measures of trade assistance to developing countries do not represent a full or instant solution to their trade problems. They will continue to require special consideration (and supporting assistance) within a framework of freer global trade. Canadian resistance to spreading protectionist ten-

dencies in the developed countries may therefore be potentially one of this country's more important contributions. As M. Jean-Luc Pepin has recently pointed out, "the erosion of basic trading rules through discriminatory arrangements could only benefit the strong rather than the weak."

(iii) Immigration and the "Brain Drain"

108. The relationship between immigration and development has not been extensively discussed in the Subcommittee's hearings, and only a few major points will be referred to here.

109. Since a number of important changes in 1967, non-discrimination and universality have been accepted as the guiding principles of Canadian immigration policy. These changes have resulted in a significant shift in immigration patterns with substantial increases in the intake from developing countries, particularly from Asia and the Commonwealth Caribbean.

110. Insofar as population pressure is a major problem of some developing countries, it does not seem realistic to hope that, in the foreseeable future, immigration to Canada will provide any substantial measure of relief. The selection criteria for independent applicants are geared mainly to the manpower needs and absorptive capacity of the Canadian society and economy. Of necessity, then, a great deal of emphasis is placed on education and training and occupational skills and, (with the exception of applicants in the "dependent" or "nominated relative" categories), Canada can provide little outlet for unskilled emigrants.

111. For these reasons, past immigration from developing countries to developed countries has not only been of little positive value to the sender countries, it has sometimes served to undermine or set back their development prospects. As the policy paper notes, "Immigration can deplete their supply of skilled manpower." (p. 19) This is through the familiar phenomenon of the "brain drain", in which disproportionate numbers of badly-needed professional and technical workers take up the opportunity to emigrate to more advanced countries. This outflow is a source of considerable concern to many developing countries, but it is extremely difficult for them to devise solutions which are compatible with the principle of "the free movement of peoples" enshrined in the U.N. Charter. In many cases, as one witness pointed out, they are already required to offer financial inducements which constitute a real strain and serve to further widen income disparities within their own societies.

112. From the viewpoint of immigrant-receiving countries, like Canada, the problem is even more delicate. In addition to the principle of free movement, Canada must apply those of non-discrimination and universality. Any