

On the whole, bilateral assistance is tied to procurement in Canada. If a school is to be built or a bridge constructed, Canada is literally willing to give the easiest terms in the world, but the materials must come from Canada. The question of "tied aid" has been the subject of countless international discussions and papers. All industrialized countries tie their aid in varying degrees to procurement, either because of balance-of-payment problems or out of commercial motives, and sometimes for the more idealistic reason of identifying more closely with the recipient country.

However, with no possibility of "shopping around", recipient countries are often obliged to accept goods that could be obtained cheaper or better somewhere else. Long-distance shipping may also add to the cost. Also, such goods sometimes do not match existing material in the developing country -- for instance, attachments to machinery. The 1970 *Pearson Report* to the World Bank suggested that aid-tying had harmful effects on donor countries, too: "Foreign trade patterns are distorted, markets disrupted, and inefficient industries bolstered. A country's own reputation for competitiveness is undermined by its resort to tying." All in all, tied aid has become much criticized on this count and most donor nations are now taking steps towards untying their aid as much as possible.

Canada channels about 25 per cent of its development assistance through international agencies such as the United Nations and this is completely untied aid. Moreover, CIDA is empowered to untie up to 20 per cent of all bilateral assistance and pay for all shipping costs of goods provided under the official assistance program. Goods bought in Canada under the program may be up to one-third non-Canadian in content.

Of CIDA's 1972-73 bilateral appropriations, \$153 million, or 46 per cent, is allocated to Asia, \$118 million, or 35 per cent, to Africa (\$69 million to 21 French-speaking countries, \$49 million to Commonwealth Africa), \$19 million to the Commonwealth Caribbean and \$3 million to Latin America.

Multilateral assistance The second-largest slice of CIDA'S budget, \$131 million (or 26.7 per cent), is contributed to multilateral institutions such as the United Nations, the World Bank and the regional development banks.

The *United Nations Development Program* (UNDP) is, as its name implies, the international development arm of the United Nations. It finances most of the development-assistance activities of such UN Specialized Agencies as the Food and Agriculture Organization (FAO), the World Health Organization (WHO), the International Labour