

### Tin Agreement.

At the seventh special session of the United Nations General Assembly, Canada indicated its willingness to examine sympathetically, along with other potential donors, the conception of a common fund to finance buffer stocks. In our view, the need for such a fund and its operational "modalities" will depend on a number of commodities for which agreements based on buffer stocks are negotiated. We are prepared to continue examination of the proposal for a common fund in the light of the results of commodity consultations and negotiations.

In the months ahead we expect that interested governments will come together to work out, within an agreed "time-frame", specific ways and means to deal with the problems of individual commodities and give effect to the decisions of this conference.

### Financial problems of developing countries

There are a number of important financial issues of special concern to developing countries on the agenda of this conference. I wish to address two of these in particular -- debt relief in the context of the balance-of-payments problems of developing countries and official development assistance.

The growth of the global balance-of-payments deficit of non-OPEC developing countries from approximately \$9 billion in 1973 to between \$35 billion and \$45 billion in 1975 emphasizes the importance of our deliberations. It is not sufficient to address the current debt problems of developing countries. We must also work to reduce their occurrence in the future.

Canada attaches great importance to the provision of development assistance on the softest possible terms. We consider it essential that loans conferred as development assistance not place developing-country recipients in debt-repayment situations in which they will eventually have difficulty in meeting their financial obligations.

Canada's development assistance has been and continues to be highly concessional. To date, all of Canada's official development assistance has exceeded a grant element of 50 per cent, with an overall average of 95 per cent. We believe that the terms on which development-assistance funds are provided, particularly to the poorest countries, should be improved. We urge that the international grant-element threshold for official development assistance be raised above 25 per cent as a meaningful step in this direction, and we are prepared to join other donors in setting the new threshold as high as 50 per cent.

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