

This approach also, of course, needs to be complemented to the extent possible by imparting a trade-expansive dimension to the recovery process. If the developing countries are to benefit from recovery, we should recognize the operational imperatives of interdependence: not only do we need their markets and demand but they also need export receipts to enable them to buy our goods and services.

Moreover, the current preoccupation over the financial and debt problems facing many larger developing countries has tended to overshadow the desperate plight confronting a large proportion of humanity in the poorest countries.

Despite their crushing needs, however, two disturbing developments have emerged which give cause for great concern. One is the reduction, or at best, the dramatically reduced growth, in aid flows from OECD Development Aid Committee countries in the past two years. As far as Canada is concerned the government remains committed to the ODA/GNP (Official Development Assistance/Gross National Product) target of 0.5 per cent by 1985 and to deploy its best efforts toward the 0.7 per cent target by 1990. The second, related, problem is the continuing financial crisis besetting the World Bank's IDA (International Development Association) due to arrears in payments by the largest donor. Indeed, recent negotiations for IDA's seventh replenishment give little ground for optimism, with the possibility that nominal as well as real flows from IDA to the poorest countries will fall over the next few years. I think that this situation can only serve to motivate all donor countries to give the poorest countries, and institutions such as IDA, the high priority they deserve. In particular, I join with other DAC members in urging the United States to meet its commitments to IDA 6 and to work towards negotiating an adequate seventh replenishment.

We are now also on the eve of the major North-South meeting of 1983 – UNCTAD VI (United Nations Conference of Trade and Development) – and it is my hope that this important meeting in Belgrade will foster a constructive debate on the problems of the world economy. I therefore hope that this OECD ministerial meeting, and also the Williamsburg Summit, will be able to send a signal to the Group of 77 of our willingness to enter into such a debate. Our signal should, in my view, strive to enhance confidence in the ability of the existing international institutions to meet, and to adapt to meet, the needs of the entire international community. Canada stands ready to pursue in UNCTAD and other appropriate fora, practical proposals to current problems, and to consider on their merits specific proposals put forward by developing countries.

The OECD secretariat is to be congratulated on its work on interdependence. This work, carried out under the aegis of the North-South group, has provided us with valuable insights as well as a useful vehicle for debating the key issues confronting both North and South. I would urge the Secretary-General to continue this work over the coming year, as we collectively assess the results of UNCTAD VI and the evolving North-South dialogue.

Economic recovery strengthens our ability to contain protectionist measures, and progressively to relax barriers restricting trade, particularly those erected during the recession, as individual economies find room for growth to make this possible. We are committed to early and effective implementation