

help of the IMF. Agreement was also reached to expand the IMF's General Arrangements to Borrow and on the Eighth General Review of Quotas which will double IMF resources available for lending. The question of an additional allocation of SDRs is actively being studied by the IMF with the aim of allowing the Fund's Managing Director to make a recommendation on this issue at the IMF/IBRD annual meetings in September. The World Bank has recently approved a Special Action Program which accelerates disbursements of some \$2 billion in borrowing countries. Agreements were also reached on replenishing the resources of the three major regional development banks. Finally, we have witnessed the successful rescheduling of a growing number of countries' debts. These various efforts are to be commended. However, of themselves they give no cause for complacency as this overall approach depends heavily on an early recovery and sustained commercial bank lending to LDC's. I am encouraged by the manner in which commercial banks have responded thus far.

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 inter-dependence: 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 DAC countries in the past two years. As far as Canada is concerned, the government remains committed to the ODA/GNP target of 0.5% by 1985 and to deploy its best efforts toward the 0.7% target by 1990. The second, related, problem is the continuing financial crisis besetting the World Bank's IDA 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. Madame Chairman, 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