

The Government is taking this recommendation into account in a review now underway on what should be the path for Official Development Assistance to .5% and .7% of the Gross National Product in order to ensure a smooth growth and better programming of aid funds.

(b) That Canada press other industrialized and oil exporting countries to increase aid levels.

The Government concurs with this recommendation and intends to continue its efforts to encourage all donors to augment their aid to developing countries.

2) That Canada consider such methods as subsidization of interest charges on future loans made by oil exporting countries to oil importing developing countries as a means of balance of payments support to the poorest countries.

The Government would be prepared to consider ways multilateral recycling schemes could operate outside the purview of existing institutions.

3) That Canada support a step-by-step change in the World Bank gearing ratio to permit greater borrowing in the financial markets.

The Government considers an increase in the gearing ratio to be an inferior way to increase lending to developing countries but is prepared to support further exploration of this and other options. The preferred option would be an increase in callable capital of the World Bank.

4) That Canada support greater responsiveness by the International Monetary Fund (IMF) to externally caused and longer term adjustment crises facing developing countries to protect their development plans.

The Government considers the current measures being implemented by the IMF, which have been designed to meet the concerns expressed in the recommendation, indicate the Fund's willingness to respond in a pragmatic manner to changing world economic circumstances. Canada will continue