

economies involved. That a substantial proportion of such debts was held by official creditors (governments and multilateral banks) meant that leadership was seen to be required from that quarter. By March 1987, governments were considering in various forums what further measures could be taken to alleviate the debt of the poorest nations. The establishment and operation of the IMF's Structural Adjustment Facility and the successful completion of the IDA VIII replenishment negotiations (resulting in a total replenishment of US\$12.4 billion), both vigorously supported by Canada, also provided a strong measure of assistance.

Canada continued to devote special attention to the special longer-term development problems of Sub-Saharan Africa. At the Thirteenth Special Session of the UN on Africa in May 1986, the Minister for External Relations announced that Canada would offer a moratorium on official development loans to 14 countries in the region, worth up to \$250 million in deferred payments over 15 years. Canada's Ambassador to the UN was appointed as Special Adviser to the Secretary-General to provide guidance on the follow-up to the Special Session. Prime Minister Mulroney's visits to Senegal and Zimbabwe in February 1987 gave political support to their economic efforts. In 1986-87, total Canadian development assistance to Africa through all channels reached \$920 million.

The government's February 1987 budget reaffirmed the objective of continued substantial growth in Canada's foreign aid expenditures and the commitment to sustain an ODA-GNP ratio of 0.5 per cent. This places Canada well above the OECD average in terms of percentage of GNP devoted to development assistance. Total Canadian development assistance reached approximately \$2.26 billion for the 1986-87 fiscal year. Following on the earlier announcement that all future development assistance would be provided on a grant rather than loan basis, the government decided to offer the opportunity to developing countries to convert to grants the portion of those earlier CIDA loans which were still disbursing funds. This added further to the already high concessionality of Canada's aid program.

The report of the joint House-Senate Committee examining Canada's foreign policy included 17 recommendations directly related to development assistance. While the implications of some proposals required further study, the government in its response to the report was able to support many of the recommendations. The hearings held and the submissions received underlined strong public interest in the Canadian aid program. The House of Commons Standing Committee on External Affairs and International Trade completed the bulk of its work, which is specifically focused on the aid program, and its report was to be tabled in June 1987.