



DEPARTMENT OF EXTERNAL AFFAIRS  
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# communiqué

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CANADA AND THE PLIGHT OF THE POOREST  
CONTRIBUTION TO IMF DEBT RELIEF FACILITY

The Secretary of State for External Affairs, the Right Honourable Joe Clark, announced today at the Francophone Summit that Canada will make a substantial contribution to increase the resources of the International Monetary Fund's Structural Adjustment Facility.

At the Venice Summit, Canada and France took the lead in bringing about the agreement that this IMF Facility should be substantially increased. An enlarged Facility would help relieve the debt and financing problems of the low-income developing countries which are pursuing economic reforms. "We have made it clear that Canada will do its share and more", said Mr. Clark "and we will be working with other donor countries to ensure a sizeable increase in the IMF Facility". Mr. Clark said that the Minister of Finance, Mr. Wilson, will be announcing at the IMF annual meeting later this month the size of Canada's contribution.

The IMF Structural Adjustment Facility was established in March 1986 to provide, on concessional terms, balance of payments support to those low-income developing countries undertaking economic reform programs. Present resources available to the facility are approximately 3 billion SDRs\* (about Cdn \$5 billion). Michel Camdessus, the IMF's Managing Director, has asked donor countries to triple the size of the Facility in order to help meet the pressing needs of the poorest and most heavily indebted developing countries.

In endorsing Mr. Camdessus' proposal the Venice Summit set the end of 1987 as the target for the decision on the enlargement.

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\* Special Drawing Rights

Canada