

Urgent international action to meet this situation must include: the liberation of trade arrangements; the growth of development assistance; and the systematic and progressive reordering of the monetary system in the IMF, so as to subject the creation of international liquidity to agreed disciplines.

#### CANADIAN RESPONSE

In the face of these compelling priorities, Canada has reviewed its own commitments. Subject to Parliamentary approval, the Canadian Government intends to take several steps to help alleviate the situation of the developing countries most seriously affected.

- We shall proceed with our own contribution of \$276 million to the Fourth Replenishment of the International Development Association.
- We shall permit the advance commitment of our first two payments to IDA, if that seems desirable.
- As I mentioned earlier, the Canadian Government last week approved an additional \$100 million, over and above its originally projected programme, to meet emergency needs in developing countries -- particularly for food and fertilizer. For the coming year, Canada's development assistance expenditures are expected to reach \$733 million as against \$571 million last year.
- We are also reassessing our entire programme with a view to ensuring that our development assistance is directed to those in greatest need and in sectors where an urgent response is required. The immediate measures will include balance of payments support through quick disbursing grants and soft loans for essential commodities. Longer term measures will include assistance for the development of energy sources. Such adjustments in development assistance programmes are difficult but necessary.