

Canadian Parliamentary Committee concerned with development issues. Their very positive suggestions prepared especially to coincide with the conclusion of CIEC, have been in several important cases surpassed by new Government measures. The consensus of the Parliamentary Committee representing the interests and concern of all Canadians, and the measures now being taken by the Canadian Government, are clear indications of political will to improve our contribution to development. I will describe more of these to you in a general review of the progress this Conference has made.

Continuing on ODA issues, you are aware of the proposal that CIEC provide a special action programme to meet the immediate needs of developing countries. This would be money which would not have been made available in this form if this Conference had not taken place. I want to announce today that if this conference succeeds in a result including a special action programme, the Canadian contribution would have both a past and a future dimension. It would be directed toward the particularly acute needs of the Least Developed Countries. From the time this agreement is reached, the Canadian Government's aid to these countries henceforth would be entirely on a grant basis. As a direct contribution to special action, Canada would be prepared to respond to the demand for debt relief which has been a central issue of this Conference: the Canadian Government would convert to grants all past development loans to a number of Least Developed Countries in Africa and Asia. The amount to be forgiven would be some \$254 million. It would have an immediate and positive impact on countries concerned, and will free funds for their development which would otherwise have been due to Canada.

Canada welcomes the agreement that donors will strive for an 86% concessional element for ODA. We hope that there will be quick movement to and beyond this level. Our own concessional element of over 95% demonstrates conviction that aid must be on the softest possible terms, especially where this is directed to the poorest countries.

Although it is difficult to prove an organic link between CIEC and decisions taken in other institutions, one cannot dismiss the fact that concern for a positive CIEC result has been one of the factors motivating positive government decisions on the timing of the fifth IDA replenishment, the international fund for agricultural development, IBRD capital base increases, and other actions which will increase the quantity of concessional flows to developing countries. In short, we can already discern positive results on a broad front. I discern a second milestone in the vital impetus given by this Conference to an important process already begun. I refer to the integration of developing countries in all aspects of international economic life. This process did not begin here, but there is increasing evidence of its impact. There was a time when the major industrialized countries tended to seek solutions to