

in Rio de Janeiro, the Canadian Minister of Finance stated that we believe that the IDA should be replenished at a figure substantially higher than the present one. He went on to describe in some detail the Canadian position and, with your permission, I should like to quote from his statement.

"In the richer countries, which are able to afford to share their good fortune, budgetary problems and balance of payments difficulties do exist, will probably continue to exist and must be overcome. It is always tempting to go slow on aid as one of the easiest and quickest ways to help restore equilibrium. And yet... it should not be beyond our capacity to manage our affairs in such a way as to effect these transfers of aid without undue strain on our economies ... the war against starvation, sickness, ignorance and poverty in less fortunate parts of the world should be continuous and escalating. This will not be possible if the level of aid is to be treated as a residual item in national planning. In the present circumstances, it may be necessary to build into IDA replenishment some balance of payments safeguards. We do not advocate such safeguards, but we are prepared to accept them if this means that IDA be replenished at a higher level. The safeguards should not affect a country's obligation to give more aid but only enable it to postpone the effective date. Their establishment should be related to balance of payments difficulties only, not to other objectives. They should be temporary and they should be of such a character as not to undermine or weaken in any way the basic principles which have governed the operations of the World Bank group and which have proven to be so successful in the past....

Canada attaches the highest importance to the early replenishment of IDA at a substantially higher level. This support is consistent with my Government's decision, made some time ago, to undertake steady increases in the Canadian aid programme. This decision has only recently been reaffirmed despite the efforts which we shall be making by budgetary policies and otherwise to limit the upward pressures on costs and prices... We rank aid among our highest priorities and we are determined to follow policies that will release the required resources."

Given this policy, the Canadian Government has been gratified by the statement of the President of the World Bank in his closing speech at the Rio Meeting three weeks ago that a ministerial meeting on IDA replenishment was desirable and should, if necessary, be preceded by a meeting of officials. Canada will work diligently for the success of those proposed meetings which we hope will lead to the early replenishment of the IDA at a substantially higher level. And for this same reason Canada strongly supported the resolutions of both ECOSOC and the Trade and Development Board concerning the early replenishment of IDA funds. We trust it will not now be very long before the hopes expressed in those two resolutions are realized and the IDA be restored to a position where it can add further to its remarkable achievements since its inception.