

- We will develop new forms of cooperation to meet the needs of middle-income developing countries in order to strengthen their potential for more self-reliant development;
- We will maintain a degree of concessionality in our bilateral programmes of not less than 90%. The grant component of Canada's development assistance is at present 95%;
- We will arrange bilateral development loans so that developing countries will be eligible to compete for contracts;
- We reiterate our pledge to provide a minimum of one million tons of grain per year as food aid for each of the current and the next two fiscal years; and
- We plan greater emphasis on programmes of agricultural and rural development in developing countries.

But aid alone is not the answer. It must be supplemented by measures in the areas of trade, investment and finance from which developing countries can derive greater benefit. Development assistance is concentrated on the poorest countries. Broader measures of international economic cooperation will bring greater benefit to those countries which have advanced further towards self-reliant growth. We must be ready to consider new ideas and new approaches in this area.

Basic Canadian Response

My Government has reached certain broad conclusions on its approach to cooperation with developing countries:

- We agree that there must be adjustments in the international economic system which will lead to a more rapid reduction in the disparities between developed and developing countries;
- We consider that the transfer of resources which these adjustments would entail can best be achieved in the context of a growing world economy;