
their potential for more self-reliant development.

- (6) We pledge to maintain a degree of concessionality in our bilateral programs of not less than 90 per cent. The grant component of Canada's development assistance is at present 95 per cent.
- (7) We intend to untie bilateral development loans so that developing countries will be eligible to compete for contracts.
- (8) We reiterate our pledge made at the World Food Conference to provide a minimum of one million tons of grain a year as food aid for each of the current and the next two fiscal years.
- (9) We plan greater emphasis on programs 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 tends to be concentrated on the poorest countries. Broader measures of international economic co-operation will bring greater benefit to those countries that have advanced further towards self-reliant growth. In this respect we must be ready to consider new ideas and new approaches.

Basic Canadian response

The Government has reached certain broad conclusions on its approach to co-operation with developing countries:

- (1) We agree that there must be adjustments in the international economic system that will lead to a more rapid reduction in the disparities between developed and developing countries.
- (2) We consider that the transfer of resources that these adjustments would entail can best be achieved in the context of a growing world economy.
- (3) We believe the reform of existing institutions, where possible, is preferable to the establishment of new ones.
- (4) We believe positive co-operation rather than confrontation is required to solve difficulties, particularly in the area of commodities and other raw materials, including energy resources.

The discussions and negotiations now under way will establish the
