

in the health of the international payments system and of international banking. For the foreseeable future, developing countries will continue to need substantial external finance, whether in the form of private investment, of commercial loans or concessional loans and grants. While private banking continues to play a major role in recycling, the international financial institutions must be increasingly involved. We support renewed effort by the International Monetary Fund and the World Bank in this direction. But for many of the low-income countries, the ability to participate in the expansion of world trade is limited; so is their access to commercial credit. If poverty in these countries is to be attacked — and social justice demands this — then greater amounts of concessional assistance must be directed to them. There is no way around this issue: development assistance is vital, urgently needed, and the world is not providing enough of it.

**Progress made
at Paris con-
ference**

The recent Paris Conference on the Least Developed was an important contribution to progress. Widespread consensus was achieved among the international community for the setting of objectives to be pursued by recipients and for the projections from donors of significant additional official development assistance in real terms during this decade. Taken together these hold promise for advancing substantially the development of states most in need.

The substantial new program of action adopted in Paris not only set an important course for achieving progress with respect to the least developed but provides a guide for approaching vitally needed interaction between developed and developing countries on a range of subjects on the North-South agenda. Key portions of the substantial new program of action became known as the "Canadian compromise". Canada was pleased to be associated with these vital conclusions because they demonstrated that constructive agreement can be reached on a subject of vital importance to the developing. In keeping with the role my country played in Paris, I urge that the momentum and techniques generated there be pursued during this Assembly and during other international meetings addressing relations between developing and developed.

**Canada increases
pledge**

As a result of the Paris achievement, which Canada helped to create and in the context of translating that achievement into concrete reality, I am pleased to announce that Canada will devote 0.15 per cent of gross national product as official development assistance to the least developed in the coming years.

This pledge is in the context of the announcement I made at the eleventh Special Session on Development last year that Canada would reverse the trend of previous years and increase our official development assistance to ensure we are soon at 0.5 per cent of GNP as part of an effort to reach 0.7 per cent by the end of the decade. I am pleased that we have remained on that upward track.

I spoke earlier of the fact that interdependence means that international economic co-operation is not a luxury. It is a vital necessity without which interdependence becomes a liability.

We must look towards deeper global economic co-operation, yet solutions to world