

SUSTAINED GROWTH IN OECD COUNTRIES IS IMPORTANT, BUT ITS TRANSMISSION TO DEVELOPING COUNTRIES IS NOT AUTOMATIC. THUS ANOTHER SIGNIFICANT CONTRIBUTION WHICH THE DEVELOPED ECONOMIES CAN MAKE IS TO ENSURE THAT THEIR ECONOMIES REMAIN OPEN TO THE EXPORTS OF DEVELOPING COUNTRIES BY RESISTING PROTECTIONISM, SO THAT RISING INCOMES IN OUR COUNTRIES CAN BE TRANSLATED INTO INCREASED DEMAND FOR DEVELOPING COUNTRY EXPORTS. HERE THE TRADE AND DEVELOPMENT REPORT HAS SOUNDED A NOTE OF WARNING THAT NOT ALL TRENDS AND DEVELOPMENTS IN THIS AREA ARE REASSURING. MY DELEGATION AGREES THAT PROTECTIONIST PRESSURES IN DEVELOPED ECONOMIES ARE WORRISOME AND MUST BE RESISTED. THIS UNDERLINES THE VITAL IMPORTANCE OF ACHIEVING MAJOR RESULTS IN THE URUGUAY ROUND NEGOTIATIONS NOW UNDERWAY, AND OF DEVELOPING COUNTRY FULL AND ACTIVE PARTICIPATION IN THOSE NEGOTIATIONS. THE WORLD TRADING SYSTEM INTO THE 1990'S AND BEYOND WILL BE BASED ON THE ACHIEVEMENTS OF THE URUGUAY ROUND, AND A STRENGTHENED AND MORE EFFECTIVE GATT IN A POSITION TO DEAL WITH INTERNATIONAL TRADE PROBLEMS SYSTEM. WE ARE PLEASED, THEREFORE, BY THE RECOMMITMENT OF BOTH DEVELOPING AND DEVELOPED COUNTRIES TO THE SUCCESSFUL CONCLUSION OF THE ROUND ON TIME, BY THE END OF 1990.

THE OTHER MAJOR RESPONSIBILITY OF DEVELOPED COUNTRIES IS IN THE AREA OF FINANCIAL FLOWS. THE RESPONSIBILITIES OF DEVELOPED COUNTRY GOVERNMENTS IN THE AREAS OF OFFICIAL FLOWS, BOTH BILATERAL AND MULTILATERAL, ARE WELL KNOWN AND THERE IS NO NEED TO GO INTO DETAIL ABOUT THEM HERE. IN THE AREA OF BILATERAL DEVELOPMENT ASSISTANCE FLOWS, I WOULD LIKE TO UNDERLINE THE IMPORTANCE OF QUALITY OF AID AS WELL AS ITS QUANTITY, AND PARTICULARLY THE TERMS ON WHICH AID IS PROVIDED. IN CANADA WE HAVE BEGUN PROVIDING ALL BILATERAL DEVELOPMENT AID ON AN ALL-GRANT BASIS, REFLECTING OUR VIEW THAT GRANTS, NOT LOANS, ARE THE MOST APPROPRIATE MEANS OF PROVIDING AID, ESPECIALLY WHEN WE SEEK TO AVOID ADDING TO DEBT BURDENS.

WITH REGARD TO MULTILATERAL FLOWS, LET ME SIMPLY NOTE THAT AGREEMENTS ON RESOURCE INCREASES FOR THE WORLD BANK AND THE INTER-AMERICAN DEVELOPMENT BANK ARE ONLY THE MOST RECENT IN A NOTABLE SERIES OF ACTIONS BY DONOR COUNTRIES IN THIS SPHERE. THESE RESOURCE INCREASES, ALONG WITH PREVIOUS ACTIONS IN ESTABLISHING THE ENHANCED STRUCTURAL ADJUSTMENT FACILITY OF THE IMF AND THE FIFTH REPLENISHMENT OF THE AFRICAN DEVELOPMENT FUND, WILL ALLOW THE INTERNATIONAL FINANCIAL INSTITUTIONS TO PLAY A CRUCIAL ROLE IN THE FINANCING OF ADJUSTMENT AND DEVELOPMENT IN THE PERIOD AHEAD. WE ARE CONFIDENT THAT THIS TREND WILL CONTINUE WITH AN EARLY AGREEMENT ON THE NINTH REPLENISHMENT OF THE INTERNATIONAL DEVELOPMENT ASSOCIATION.