

countries. Such work should be done in a way that considers developing country sensitivities in this area and the balanced nature in the investment dialogue elsewhere. We particularly support the successful conclusion of negotiations at the U.N. on a Code of Conduct for Transnational Corporations. We also support the work program agreed to in the CIME. Further study could also usefully consider the implications of enhanced investment flows to developing countries for the industrial interests and trade policies of OECD countries.

Official Assistance

It is clear however that we cannot rely on the economic recovery and private markets alone to meet the reasonable needs of developing countries. There is a continuing and growing need for official development assistance, particularly for the poorest countries. In this connection, Canada has pledged to increase its own ODA to 0.7% of GNP by 1990. I believe that the World Bank Group in particular must be in a position to play a greater catalytic role in ensuring that there are sufficient resources for development. Yet over the past few years, we have encountered growing problems in providing the World Bank and the regional development banks with the minimum resources necessary for them to finance high priority development projects and to encourage structural adjustment. If we are to ask the World Bank to expand its dialogue with developing countries to effect necessary policy changes and to play a greater catalytic role we will have to provide the Bank with the political and financial support necessary to ensure that it can fulfill its mandate. We must not allow individual and bilateral differences to erode the capacity of the World Bank at this critical time. We need to approve the Selective Capital Increase and get on with starting work on a new General Capital Increase.

It is also essential to ensure that the very poorest and smallest countries, particularly those in Sub-Saharan Africa, with little or no access to private capital markets, have access to adequate concessional financing. For that reason, Canada is disappointed that all that could be negotiated in IDA 7 was a \$9 billion replenishment. This will result in a major decline in IDA's programs in real terms and a significant erosion in its ability to influence the future growth of the poorest countries. Canada has indicated that, together with