

As members are aware, I have just returned from UNCTAD IV - where the developed and developing nations are jointly tackling matters related to trade and development issues in order to try to reduce disparities between rich and poor countries. This process was given further impetus at the Seventh Special Session of UNGA and I hope that this momentum can be maintained in Nairobi. It is expected that as the Conference continues, questions of commodity trade, debt relief and the transfer of technology will be the focal points of the debate of UNCTAD IV.

I agree with the view of this Committee that it is essential to build toward an increasing sense of common interest between the rich countries and the poor countries. I share your feeling that Canada has a particular role in this process and that we must be a positive mediator, advancing proposals that are as forthcoming, as practical, and as fundamental as we are able to devise.

In my statement to the Conference, I pointed out the Canadian position on several of the most crucial issues before the delegates. Canada supports the need for a comprehensive integrated approach to commodity problems and also the principle of joint producer/consumer financial responsibility, on a mandatory basis, for the establishment of buffer stocks within commodity agreements, where the utilization of such a mechanism for price stabilization is appropriate. In this context, I announced that Canada will be making a voluntary contribution to the buffer stock of the Fifth International Tin Agreement and that Canada is prepared to continue examining the proposal for a common fund in the light of current and future commodity consultations and negotiations. Canada is also fully prepared to participate in working out specific ways and means, within an agreed time frame, to deal with the problems of individual commodities and to give effect to the decisions taken at UNCTAD IV.

Canada believes that development assistance loans should not create debt repayment crises for the recipients of the loans and therefore we proposed that the grant element threshold for Official Development Assistance (ODA) should be raised above 25 per cent and that, in conjunction with other donors, we would be willing to raise the threshold as high as 50 per cent. I indicated that we are prepared to consider debt relief on a case-by-case basis with particular sympathy for the problems of the poorest of the developing countries and encouraged multilateral finance institutions to consider committing new resources, within their programme priorities, to countries for which an agreed debt reorganization has been negotiated. The question of an international debt conference will be approached with an open mind; however, I pointed out that debt questions should be seen in the context of overall balance of payments problems.