

benefitted so far. Canada contributed \$5 million to Costa Rica's debt buy-back scheme.

Trinidad terms as they currently stand will cost Canada about \$100 million. This is a cost we have agreed to bear. If we were to reduce the amounts owed by the poorest countries by 100 per cent, the cost would be in the area of \$250 million. We have said that we are prepared to move in this direction for countries who need more relief.

As for lower-middle income countries, debt reduction would have much larger costs, up to \$1 billion depending on the percentage of reduction and the countries concerned. That is why, in international discussions on this issue, we have stressed that any reduction for these countries must be gauged on the basis of real need.

All debt reduction has cost associated with it. Forgiving the official debt of all the developing countries with potential debt-servicing problems would cost Canadian taxpayers well over \$5 billion. This is far beyond what we can afford to do.

The experience of the past 10 years has confirmed that the key ingredient in overcoming problems of debt and in attracting much-needed capital and financing for economic development is the disciplined implementation of stable macroeconomic and structural reforms.

Experience has shown that a short-term approach to the debt problem does not work. The orthodox programs advocated in the early 1980s are now out of favour, in part because they paid too little attention to social factors.

In their place we see an approach to structural adjustment that promotes growth while ensuring a more equitable distribution of the benefits. It has shown real success for countries that have maintained their commitment to reform.

The global figures for developing countries are impressive: 4.1 per cent growth in the period 1986 to 1990 for those who met their IMF-approved targets, as opposed to 1.4 per cent growth for those countries who did not.

Canada has been a long-time proponent of a multifaceted approach to development. There is no single cause of under-development, nor a simple solution. Social, economic, political and environmental factors are all involved.

In a Foreign Policy Framework statement that I made last December and in a lecture that I gave at McGill University in March, I laid out Canada's policy on the relationship between human rights, the development of democracy, and good governance in a particular country and our assistance to that country. Prime Minister Mulroney, who took the lead in making this linkage at