

STATEMENT DISCOURS

SECRETARY
OF STATE
FOR EXTERNAL
AFFAIRS.

SECRÉTAIRE
D'ÉTAT AUX
AFFAIRES
EXTÉRIEURES.



86/27

Statement by Canada to the
Ministerial Council of the
Organization for Economic
Cooperation and Development

PARIS

April 18, 1986.

MR. CHAIRMAN,

- MY COLLEAGUE MICHAEL WILSON SPOKE YESTERDAY ABOUT THE GOOD PROSPECTS FOR ECONOMIC GROWTH IN CANADA AND IN OTHER OECD COUNTRIES. WE ARE, AS HE NOTED, MORE OPTIMISTIC THAN WE WERE A YEAR AGO ABOUT THE ECONOMIC OUTLOOK FOR US AND FOR THE WHOLE WORLD. THE IMPROVEMENT IN ECONOMIC CONDITIONS HAS BEEN HELPED BY A RENEWED SPIRIT OF INTERNATIONAL ECONOMIC COOPERATION. NOTABLE SUCCESSES HAVE ALREADY BEEN ACHIEVED: LAST SEPTEMBER, G-5 COUNTRIES AGREED TO COOPERATE TO REALIGN EXCHANGE RATES; IN OCTOBER, USA TREASURY SECRETARY BAKER PRESENTED HIS INITIATIVE FOR GROWTH AND ADJUSTMENT IN INDEBTED DEVELOPING COUNTRIES; IN NOVEMBER, GATT CONTRACTING PARTIES AGREED TO ESTABLISH A PREPARATORY COMMITTEE WITH A VIEW TO LAUNCHING THE NEW ROUND OF TRADE NEGOTIATIONS; AND IN MARCH, CENTRAL BANKS IN THE USA, THE FRG AND JAPAN ACHIEVED COORDINATED INTEREST RATE REDUCTIONS. WE SHARE THE DESIRE TO SUPPORT AND STRENGTHEN THE PROCESSES OF CONSULTATION THROUGH WHICH SUCH COOPERATION IS FORGED.

- ECONOMIC CONDITIONS ARE NOW CONDUCIVE TO ACTION TO IMPROVE AND SUSTAIN GROWTH. INFLATION HAS BEEN DECLINING. OIL PRICES HAVE DROPPED. EXCHANGE RATES BETTER REFLECT ECONOMIC FUNDAMENTALS. INTEREST RATES ARE DECLINING, AIDED BY THE IMPROVING CONTROL OF GOVERNMENTS OVER FISCAL DEFICITS. THE GROWTH BROUGHT ABOUT BY THESE DEVELOPMENTS WILL HAVE IMPORTANT EFFECTS ON THE ECONOMIC AND SOCIAL SITUATIONS NOT ONLY OF OUR OWN COUNTRIES, BUT ALSO IN THE DEVELOPING WORLD.

- BUT WE CANNOT BE COMPLACENT. OECD MEMBER COUNTRIES HAVE A RESPONSIBILITY TO USE THE OPPORTUNITY PRESENTED BY THE IMPROVED OUTLOOK TO ACHIEVE BETTER COORDINATION, AND THEREBY SUSTAIN ECONOMIC GROWTH. EXTERNAL IMBALANCES AMONG MAJOR COUNTRIES HAVE NOT BEEN ELIMINATED. UNEMPLOYMENT REMAINS HIGH IN MANY COUNTRIES. NOT ALL COUNTRIES ARE BENEFITTING FROM OIL PRICE DECLINES: INDEED, INDEBTED OIL-EXPORTING

DEVELOPING COUNTRIES FACE A VERY DIFFICULT SITUATION. IMPROVED ECONOMIC PERFORMANCE IN DEVELOPING COUNTRIES DEPENDS HEAVILY ON SATISFACTORY GROWTH RATES IN THE OECD. GOOD PROSPECTS AND ENHANCED COOPERATION GIVE US THE OPPORTUNITY AND THE MEANS TO ADDRESS THESE PROBLEMS.

- CANADA VALUES HIGHLY THE OECD AS AN INSTITUTION FOSTERING COOPERATION ON ECONOMIC MATTERS. IT IS A UNIQUE PLACE TO ADDRESS OUR RELATIONS WITH DEVELOPING COUNTRIES, AND THE PROBLEMS WE ALL SHARE IN AN INTERDEPENDENT WORLD. THE DEVELOPING COUNTRIES FACE AN ENORMOUS CHALLENGE IN DEALING WITH DEBT AND ADJUSTMENT PROBLEMS IN A DIFFICULT EXTERNAL ECONOMIC ENVIRONMENT. THE STRAINS OF THE LAST THREE YEARS ARE SHOWING IN MANY OF THESE COUNTRIES. WE MUST ENSURE THAT OUR ECONOMIC, TRADE AND DEVELOPMENT ASSISTANCE POLICIES HELP THEM TO DEAL WITH THEIR PROBLEMS AND RESUME ECONOMIC GROWTH.
- THE GOVERNMENTS OF INDUSTRIALISED COUNTRIES HAVE A PARTICULAR RESPONSIBILITY TO IMPROVE THE PROSPECTS FOR FINANCIAL FLOWS TO THE POORER DEVELOPING COUNTRIES WHICH DEPEND ON OFFICIAL FLOWS. IN THIS CONNECTION, WE MUST STRENGTHEN THE CAPACITY OF EXISTING INTERNATIONAL INSTITUTIONS TO PLAY AN EFFECTIVE ROLE.
- WITH REGARD TO THE POOREST COUNTRIES IN AFRICA AND ELSEWHERE, WE WELCOME THE AGREEMENT TO RECYCLE THE IMF TRUST FUND REFLOWS IN A NEW STRUCTURAL ADJUSTMENT FACILITY, WHICH WILL PUT SOME \$2.7 BILLION BACK ON THE TABLE. WE HOPE THAT DISCUSSIONS WILL SUCCEED IN FINDING WAYS TO SUPPLEMENT THESE FUNDS FROM OTHER SOURCES.
- WE SUPPORT PROCEEDING WITH AN EIGHTH REPLENISHMENT OF THE IDA AT A LEVEL OF \$12 BILLION. EVEN THIS LEVEL WILL ALLOW US TO RECAPTURE ONLY SOME OF THE GROUND LOST THROUGH THE DIFFICULTIES ENCOUNTERED DURING IDA VII. OF THIS \$12 BILLION AT LEAST \$1.5 BILLION SHOULD BE USED IN CONJUNCTION WITH THE NEW IMF STRUCTURAL ADJUSTMENT FACILITY. THIS WOULD GET THAT PART OF THE BAKER INITIATIVE CONCERNED WITH POORER COUNTRIES OFF TO A GOOD START. COMBINED WITH THE IMF FACILITY AND THE IBRD SPECIAL AFRICAN FUND, THE INTERNATIONAL COMMUNITY WILL HAVE POWERFUL TOOLS TO PROMOTE GROWTH ORIENTED ADJUSTMENT IN AFRICA.

- I WOULD LIKE TO STAY WITH AFRICA FOR A MOMENT, AS IT CLEARLY PRESENTS A SPECIAL CHALLENGE. FINANCING IS ONLY ONE PART OF THE PROBLEM, ALTHOUGH IT IS AN EXTREMELY IMPORTANT PART. CLEARLY A COHERENT STRATEGY INVOLVING EXTERNAL AND DOMESTIC FINANCING, MACROECONOMIC POLICIES, TRADE POLICIES, SECTORAL AND SOCIAL POLICIES IS REQUIRED. POLITICAL WILL IS REQUIRED FROM AFRICAN GOVERNMENTS AND THEIR PEOPLE, AND RENEWED, LONG TERM COMMITMENT BY THE DONOR GOVERNMENTS TO DEVELOPMENT ASSISTANCE. WE WOULD HOPE THAT THE FORTHCOMING UN SPECIAL SESSION ON AFRICA COULD BE THE OCCASION TO BEGIN FORGING THIS POLITICAL WILL, AND FOR RENEWING OUR COMMITMENT.

- AS DONORS, WE HAVE A RESPONSIBILITY TO ENSURE THAT OUR DEVELOPMENT ASSISTANCE PROGRAMS ARE COMPATIBLE WITH THE ADJUSTMENT OBJECTIVES OF THE INTERNATIONAL FINANCIAL INSTITUTIONS AND RECIPIENT COUNTRIES. THE EFFORTS BY THE WORLD BANK AND BY THE UN TO COORDINATE DEVELOPMENT ASSISTANCE TO RECIPIENT COUNTRIES SHOULD BE ENCOURAGED. IT WILL BE ESSENTIAL TO IMPROVE AID EFFECTIVENESS THROUGH COORDINATION AND SUPPORT FOR POLICY REFORM.

- WE ALSO NEED TO EXAMINE OUR OWN EFFORTS. THE DEVELOPMENT ASSISTANCE COMMITTEE HAS PLAYED A USEFUL ROLE IN THIS REGARD. PARTICULARLY WHEN DOMESTIC BUDGETARY REQUIREMENTS IN OUR OWN COUNTRIES MODERATE GROWTH OF DEVELOPMENT ASSISTANCE ALLOCATIONS, THERE MAY BE ROOM TO IMPROVE THE EFFECTIVENESS AND QUALITY OF OUR ODA. IN CANADA WE ANTICIPATE THAT GROWTH IN ODA OVER THE NEXT FIVE YEARS WILL BE ROUGHLY 8.7 PER CENT PER YEAR. MOREOVER CANADA, IN OUR MOST RECENT BUDGET, DECIDED TO EXTEND ALL DEVELOPMENT ASSISTANCE AS GRANTS RATHER THAN LOANS. IN ADDITION, IN LIGHT OF OUR CONCERN FOR THE FINANCIAL POSITION OF POORER COUNTRIES, WE ARE LOOKING SERIOUSLY AT WHAT MIGHT BE POSSIBLE TO RELIEVE THE BURDEN OF PAST ODA LOANS STILL OUTSTANDING, PARTICULARLY FOR THOSE COUNTRIES MAKING COURAGEOUS EFFORTS TO RESTORE THEIR ECONOMIES TO A SOUNDER BASIS.

- MR. CHAIRMAN, THERE IS ANOTHER ASPECT OF THE ROLE OF CREDITOR GOVERNMENTS THAT CONCERNS ME, NAMELY THE ECONOMIC ADJUSTMENTS THAT WE EXPECT OF DEVELOPING COUNTRIES IN CONNECTION WITH INCREASED FINANCIAL FLOWS. NOTWITHSTANDING THE EFFORTS OF THE LAST THREE YEARS, WE ALL KNOW HOW MUCH MORE STRUCTURAL ADJUSTMENT IS REQUIRED TO ACHIEVE SUSTAINED GROWTH IN SOME OF THESE COUNTRIES. BUT I HAVE ALSO NOTED THE

DIFFICULTIES SOME GOVERNMENTS HAVE IN MANAGING SUCH CHANGES IN THE CONTEXT OF THEIR DOMESTIC POLITICAL REALITIES. WE MUST ENSURE THAT CONDITIONS RELATED TO NEW LENDING TAKE ACCOUNT OF DOMESTIC AND EXTERNAL REALITIES.

- THERE MUST BE MORE EFFECTIVE USE OF NEW FINANCIAL FLOWS THAN IN THE PAST. WE MUST ENSURE THAT NEW FINANCING REPRESENTS NET ADDITIONAL FINANCIAL FLOWS. WE MUST ALSO DEMONSTRATE OUR WILLINGNESS TO SUPPORT THOSE COUNTRIES THAT ARE MAKING A SERIOUS ADJUSTMENT EFFORT, PARTICULARLY WHEN THEY RUN INTO DIFFICULTIES NOT OF THEIR CREATION.
- OUR EFFORTS SHOULD REFLECT A COMMON EVALUATION BY ALL PARTIES CONCERNED OF WHAT IS DESIRABLE AND WHAT IS POLITICALLY POSSIBLE IN TERMS OF POLICY ADJUSTMENT. LET ME REITERATE THE CANADIAN VIEW THAT SUCCESS WILL DEPEND ON A HIGH LEVEL OF COOPERATION AMONG COUNTRIES CONCERNED, MULTILATERAL INSTITUTIONS, AND COMMERCIAL BANKS. IN THIS WAY, WE CAN CONVINCED OUR DEVELOPING PARTNERS WE ARE SERIOUS ABOUT AIDING GROWTH. WE MIGHT ALSO HELP TO STRENGTHEN THE POSITION OF GOVERNMENTS OF DEVELOPING COUNTRIES WHICH ARE TRYING TO MAINTAIN DOMESTIC SUPPORT FOR ADJUSTMENT EFFORTS.
- MR. CHAIRMAN, ANOTHER WAY IN WHICH WE CAN BOLSTER LDC CONFIDENCE IN OUR DEBT STRATEGY IS BY OUR READINESS TO IMPLEMENT ADJUSTMENT POLICIES OURSELVES WHERE THESE ARE NEEDED. CANADA HAS PARTICIPATED FULLY IN OECD WORK ON STRUCTURAL ADJUSTMENT QUESTIONS, AND WE AWAIT WITH INTEREST THE SECRETARY GENERAL'S REPORT DUE FOR NEXT YEAR'S MEETING. BUT ONE CONCLUSION IS ALREADY CLEAR: FOR DEVELOPING COUNTRIES TO GROW ADEQUATELY AND SERVICE THEIR DEBTS, THEY MUST EXPORT. THESE EXPORTS MUST BE IN SECTORS WHERE THEY HAVE A COMPARATIVE ADVANTAGE. THE OECD COUNTRIES MUST BUY THEIR SHARE OF THESE EXPORTS, AND THIS IN TURN WILL NECESSITATE ADJUSTMENTS IN OUR OWN ECONOMIES. WE WILL ALSO BENEFIT BY THE OPENING OF THEIR MARKETS AND THE GROWTH OF THEIR ECONOMIES.
- THE EARLY LAUNCH OF A NEW ROUND OF TRADE NEGOTIATIONS WITH A COMPREHENSIVE AGENDA IS ESSENTIAL TO THESE OBJECTIVES. FURTHER TRADE LIBERALISATION IS A KEY ELEMENT OF OUR OVERALL STRATEGY TO PROMOTE SUSTAINED NON-INFLATIONARY ECONOMIC GROWTH. IT WILL BE ESSENTIAL TO PROMOTING ADJUSTMENT IN BOTH DEVELOPING AND IN OUR OWN COUNTRIES, AND TO ACHIEVING GAINS IN EFFICIENCY WHICH CAN HELP CONTROL INFLATION. THE

PROCESS OF NEGOTIATIONS WILL BE A POWERFUL ARGUMENT ON THE SIDE OF GOVERNMENTS THAT ARE RESISTING PROTECTIONIST PRESSURES.

- A NUMBER OF DEVELOPING COUNTRIES WILL BE ADOPTING TRADE LIBERALIZATION MEASURES AS PART OF ADJUSTMENT PROGRAMS THEY UNDERTAKE. THESE COUNTRIES SHOULD BE ENCOURAGED TO CONSIDER PUTTING THESE SAME LIBERALIZATION MEASURES ON THE TABLE IN GENEVA AS A CONTRIBUTION TO THE NEW MTN IN THE GATT.
- CANADA BELIEVES THAT ONE OUTCOME OF THE NEW ROUND MUST BE A GREATER INTEGRATION OF DEVELOPING COUNTRIES INTO THE GLOBAL TRADING SYSTEM, BOTH IN TERMS OF THEIR CONTRIBUTIONS TO IT AND BENEFITS FROM IT. THIS CAN ONLY BE ACHIEVED BY ENSURING THAT ISSUES OF CONCERN TO THEM ARE ADEQUATELY ADDRESSED. IN ADDITION, WE MUST ACCENTUATE OUR EFFORTS TO ALLAY THEIR NERVOUSNESS OVER NEGOTIATING SOME OF THE NEWER AREAS, TRADE IN SERVICES BEING PERHAPS THE MOST IMPORTANT EXAMPLE. CANADA AND SOME OTHER OECD COUNTRIES HAVE HAD DISCUSSIONS WITH A NUMBER OF DEVELOPING COUNTRIES ON THESE ISSUES. PERHAPS WE SHOULD CONTEMPLATE A MORE CONCERTED EFFORT OR SIGNAL IN THIS REGARD.
- MR. CHAIRMAN, THE NEW ROUND OF TRADE NEGOTIATIONS WILL PROMOTE BETTER ECONOMIC GROWTH IN DEVELOPED AND DEVELOPING COUNTRIES. IT WILL REINFORCE AND EXTEND THE COOPERATIVE, MULTILATERAL FRAMEWORK WHICH WE HAVE BUILT TO MANAGE OUR ECONOMIC INTERDEPENDENCE. FOR THESE REASONS, PLUS THE CONCRETE GAINS WHICH WE HOPE TO REALISE IN THE NEGOTIATIONS, CANADA HAS BEEN AND WILL BE UNSTINTING IN ITS SUPPORT FOR THE NEW ROUND.
- IT IS IMPORTANT FOR MINISTERS TO GIVE A CLEAR MESSAGE OF SUPPORT FOR THE NEW ROUND. CANADA SUPPORTS A REAFFIRMED COMMITMENT TO RESIST PROTECTIONIST PRESSURES AND TO FURTHER LIBERALIZE TRADE. WE ARE PREPARED TO PARTICIPATE IN UNDERTAKINGS BY GATT CONTRACTING PARTIES ON STANDSTILL AND ROLLBACK.
- THE PREPARATORY COMMITTEE IS NOW EXAMINING THE SPECTRUM OF ISSUES WE MIGHT EXPECT TO NEGOTIATE. MANY OF THOSE ISSUES ARE WELL KNOWN TO US ALL AND I SHALL COME BACK TO THEM IN A MOMENT. IN THE NEWER AREAS, IT IS CLEAR THAT SERVICES WILL BE PART OF THE NEW ROUND. WE KNOW THAT MANY DEVELOPING COUNTRIES ARE UNEASY ABOUT WHAT NEGOTIATIONS ON SERVICES MIGHT MEAN FOR THEIR OWN SERVICE INDUSTRIES. WE MUST

DEMONSTRATE CONVINCINGLY TO DEVELOPING COUNTRIES THAT THE INCLUSION OF SERVICES WILL NOT BE DIRECTED TO CONSOLIDATING SOME COMPARATIVE ADVANTAGE ENJOYED ONLY BY THE DEVELOPED WORLD. THE REALITY IS THAT AS TRADE IN SERVICES GROWS - AND IT IS NOW ESTIMATED TO BE 25 PER CENT OF WORLD TRADE - ALL COUNTRIES HAVE A VITAL STAKE IN ENSURING THAT A BODY OF RULES GOVERNING THESE TRANSACTIONS IS ELABORATED. DEVELOPED COUNTRIES MUST CONTINUE TO COORDINATE CLOSELY HERE AND IN GENEVA ON THIS QUESTION.

- MANY OF US SUBMITTED DETAILED PROPOSALS ON BOTH THE SUBSTANCE AND THE MODALITIES OF THE NEW ROUND AT THE BEGINNING OF THE FORMAL PREPARATORY PROCESS. THE CANADIAN APPROACH WAS TO SEEK THE WIDEST PARTICIPATION IN THE NEGOTIATIONS BY SETTING AN AGENDA WHICH REFLECTED THE CONCERNS OF AS LARGE A NUMBER OF COUNTRIES AS POSSIBLE. WE REMAIN STRONGLY COMMITTED TO THAT CONCEPT. THIS MEANS CONTINUED DETERMINATION TO ADDRESS, IN ADDITION TO NEW AREAS, MATTERS OUTSTANDING IN THE WORK PROGRAM AND TRADITIONAL AREAS SUCH AS STRAIGHT-FORWARD TARIFF REDUCTIONS.
- TRANSLATED INTO SPECIFICS, CANADA WILL SEEK IN THE NEW MTN IMPROVED MARKET ACCESS WITH RESPECT TO AGRICULTURAL AND FOOD PRODUCTS, FISHERIES PRODUCTS, INDUSTRIAL RESOURCES INCLUDING NON-FERROUS METALS AND FOREST-BASED PRODUCTS, ENERGY-BASED PETROCHEMICAL INDUSTRIES AND RELATED EQUIPMENT AND SERVICES, A RANGE OF ADVANCED TECHNOLOGY AND TRANSPORTATION EQUIPMENT, AND TRADE IN SERVICES. CANADA WILL ALSO SEEK A MORE EFFECTIVE DISPUTE SETTLEMENT SYSTEM, PLUS IMPROVED DISCIPLINES ON CONTINGENCY PROTECTION MEASURES AND SUBSIDIES, INCLUDING SUBSIDIZED EXPORT CREDITS AND SUBSIDIES AFFECTING TRADE IN AGRICULTURE PRODUCTS.
- CANADA IS PREPARED TO WORK CLOSELY WITH OTHER PARTICIPANTS TO DEAL WITH NEW ISSUES SUCH AS TRADE IN SERVICES, INVESTMENT AND INTELLECTUAL PROPERTY.
- MANY OF THESE ISSUES SUCH AS TRADE IN AGRICULTURE, FISHERIES AND OTHER RESOURCE PRODUCTS WILL BE OF INTEREST TO MANY DEVELOPING COUNTRIES AS WELL AS TO US. IN THIS REGARD WE ARE CONTINUING ACTIVE BILATERAL CONSULTATIONS WITH KEY LDC'S IN THEIR CAPITALS, IN ORDER TO BUILD SUPPORT FOR THEIR FULLER PARTICIPATION IN THE NEGOTIATIONS.

- WITHOUT REVIEWING ALL OF THE ISSUES I JUST MENTIONED, I WILL COMMENT BRIEFLY ON SOME OF THE SYSTEMIC QUESTIONS AND ON TRADE IN AGRICULTURE AND FISHERIES.
- THE MULTILATERAL TRADING FRAMEWORK EMBODIED IN THE GATT HAS FOR THE MOST PART SERVED US WELL. HOWEVER, MANY PARTS OF IT ARE ALMOST FORTY YEARS OLD AND ARE SHOWING SIGNS OF STRAIN. ONE OF OUR MOST IMPORTANT TASKS IN THE NEW ROUND WILL BE TO UPDATE AND STRENGTHEN THE SYSTEM, SO THAT IT CAN ADEQUATELY RESPOND TO OUR TRADING NEEDS IN AN INCREASINGLY COMPETITIVE WORLD. THIS MEANS OVERCOMING THE IMPASSE WE ARE EXPERIENCING ON ISSUES SUCH AS SAFEGUARDS, AND DRAMATICALLY IMPROVING OUR MEANS OF DISPUTE SETTLEMENT.
- WE ARE FACING A VERY DIFFICULT PERIOD IN AGRICULTURAL TRADE. INTERNATIONAL PRICES FOR AGRICULTURAL GOODS ARE AT EXTREMELY LOW LEVELS. THIS IS A RESULT OF LARGE SURPLUSES, STEMMING FROM ARTIFICIAL STIMULATION OF PRODUCTION, THROUGH TIGHTER IMPORT RESTRICTIONS AND PRODIGIOUS EXPENDITURES WHICH DISTORT COMPETITION. THE SITUATION WILL BE EXACERBATED BY MAJOR TECHNOLOGICAL IMPROVEMENTS.
- WE URGE EARLY COMPLETION OF THE OECD MINISTERIAL TRADE MANDATE ON AGRICULTURE. THIS WOULD ALLOW THE RESULTS TO BE TAKEN INTO ACCOUNT IN THE NEW ROUND OF TRADE NEGOTIATIONS. IN THE MEANTIME, COUNTRIES MUST REJECT POLICIES WHICH AGGRAVATE THE PROBLEM.
- MOREOVER, WE MUST NOT ALLOW TRADE DISPUTES IN SENSITIVE SECTORS LIKE AGRICULTURE TO ESCALATE TO THE POINT WHERE THEY THREATEN THE ENVIRONMENT FOR THE NEW ROUND. MORE IMMEDIATELY, THEY COULD ALSO HAVE A MAJOR ADVERSE IMPACT ON LARGE AGRICULTURAL EXPORTERS LIKE CANADA.
- IMPORTANT WORK HAS BEEN DONE ON FISHERIES QUESTIONS, BUT FURTHER EFFORT IS NEEDED. THE URGENCY OF GETTING ON WITH THIS WORK IS UNDERSCORED BY THE VISIBLE DETERIORATION OF THE WORLD FISHERIES SITUATION. AND FOR MAJOR FISH EXPORTERS LIKE CANADA, THIS IS A HIGH PRIORITY FOR ACTION.
- CANADA IS VERY SUPPORTIVE OF IMPROVING TRANSPARENCY AND DISCIPLINE IN THE USE OF MIXED CREDITS. AGGRESSIVE MIXED CREDIT PRACTICES ARE GROWING. WE ARE CONCERNED WITH THE TRADE DISTORTING EFFECTS AND

THE COSTS ASSOCIATED WITH PROVIDING SUCH CONCESSIONAL FINANCING.

- IN CANADA'S VIEW IT IS IMPORTANT TO HAVE A FURTHER AND SIGNIFICANT INCREASE IN THE MINIMUM GRANT ELEMENT. THIS WOULD ALLOW FOR A CLEAR DEMARCATION BETWEEN DEVELOPMENT ASSISTANCE AND COMMERCIAL TRANSACTIONS AND AVOID HARMFUL TRADE DISTORTION.

- THANK YOU MR. CHAIRMAN.