

It is true that Canada has debt and interest rate problems of its own. Though less dire by far than in most developing countries, we see the negative effects that can be felt nationally, regionally, and individually. It is also true that debt relief is occurring in Canada on compelling grounds. As Finance Minister Wilson testified:

The banks and the Farm Credit Corporation, through the Farm Debt Review Boards, are doing just that very thing. They are making changes in the debt structure for individual farmers on a case-by-case basis. As an example, last year we wrote off \$750 million in the deficit of the Western Grain Stabilization Fund. That was a debt from the fund to the Government of Canada. We have written that off so that farmers in future do not have that as a debt overhang . . .⁽¹²⁾

Meeting the challenges of global debt which Canada can and must do as part of its foreign policy vocation, in no way denies the seriousness of domestic debt issues. On the contrary, it should help to place them in perspective and to make Canadians more conscious of the dilemmas facing less developed nations. If debt is painful for us in the North, how much more must it be for the poor majority in the South?

In addition to confronting the multiple realities of, and myths about, Third World debt, there is a final hurdle to be considered. That is the danger of mistaking the symptoms for the disease and treating only effects not causes. Relieving today's debt burden in developing countries may, or may not, make a lasting contribution to solving the wider global crisis of sustainable development and common security. That is why a few short-term or ad hoc measures do not in themselves constitute a sufficient response. **Immediate action on the debt is imperative. But it must be part of an overall agenda for action on North-South issues — an agenda which aims to put an end to the unacceptable consequences of mass poverty on the threshold of the third millenium.**

C. Towards Continuing Agenda for Action

A primary reason for the creation of the Sub-Committee, and a primary purpose of this report, is to heighten public awareness and to generate political will in Canada for fresh initiatives to deal with the unfinished business of Third World debt. We have earlier supported a renewed Canadian commitment to ODA, and the idea of an international conference on debt and global adjustment to negotiate multilateral policy reforms. In the remainder of the report, we advocate a set of principles to guide Canadian policy and recommend specific steps to be adopted, bearing in mind the actions already taken by the government.

(12) SCEAIT, Sub-Committee on International Debt, *Minutes of Proceedings and Evidence*, Issue No. 7, 3 April 1990, p. 12.