

*Bretton Woods and Related Agreements Act*

MIGA will also encourage attention to the role of foreign investment in developing countries. We have argued that this ought to have been examined in detail for many years. It would be naive to assume that all foreign investment is automatically good. That is not the case. We have seen too many of our investment programs and, I am sad to say, some of our international assistance from government and in some cases non-governmental organizations not result in the best interest of some people in some countries.

We hope that this international agency will encourage the Government and the people of Canada to focus more attention than ever on the role of foreign investment in developing countries. Steps ought to be taken to ensure that investment which takes place is done, not only in our best interest, but in the best interest of the people in those countries.

To the extent that MIGA will allow investment by one less developed country in another, it will improve south-to-south trade and enhance trade flow within the lesser developed countries. We believe that this is an important initiative. When we look at economic development in the lesser developed countries we assume that there is only a one-way flow that is of any benefit to the developing countries. Such is not the case, and anything we can do to facilitate international trade between the lesser developed countries will be of benefit to them in improving their economic infrastructure. For that reason as well we support this initiative.

The agreement requires that at least five developed countries and 15 developing countries participate. To date, 15 developing countries have ratified the convention. Japan and Germany have now ratified the convention, and the Netherlands and, of course, Canada, are well on the way to doing the same. I notice with interest that when President Reagan tabled his budget it included moneys for MIGA. That is an important initiative for the American administration and Congress to take. I only hope it is not stalled in the Senate.

● (1640)

However, at the moment, while the Senate has attached some amendments to the Bill for ratification and the House did not, I think there is still hope that they will come up with something consistent with the MIGA Convention. It looks encouraging that by the October 30 deadline, five developed countries and 15 developing countries will have placed their signatures to the convention.

It is important that in passing this Bill we do not construe this initiative as a replacement for real economic aid to these developing countries. While MIGA may be of some assistance to the economy of the developing world by providing insurance for investors, we must be careful not to mistake this kind of activity for aid.

I sense a rather enthusiastic response by members of the Government in particular in that they believe this will be a major aid initiative. In fact, it is not an aid initiative but an economic, business initiative. To the extent that it will help the

developing country economically in terms of job-creation and tax and financial flows within that country, we support it. However, let us not ever consider that this ought to be termed any sort of real Canadian aid for the developing countries.

We agree that aid must not be tied to domestic export development. What developing countries need most is commitment from countries like Canada to long-term infrastructural development assistance of the kind that will allow a broad based and self-sustainable economic and social development in the recipient countries.

We have learned in the last while that many of our traditional aid projects have often provided a hindrance to economic and social development in developing countries. Now we can make our greatest contribution by assisting in the development of a sophisticated economic and social infrastructure.

I was pleased to see our community college in Kamloops, one of the communities I represent, accepting a number of international students to study there for the first time. They bring with them not only a renewed and increased cultural awareness for Canadians, but also they create the much needed links between ourselves and other countries, including developing countries. It is in this area that Canada can and has been using its expertise in technological development and instruction to make a real contribution both through official government aid and through the NGOs.

I believe we all have to share some disappointment about the fact that Canada's percentage of Gross National Product devoted to development has been slipping in recent years. While we find this disturbing at a time when it is essential that Canada display its commitment to long-term development, let us hope that this downward slide will be reversed and we will see a renewed commitment to Canada placing aside sums of money toward real development aid so that our aid as a percentage of our GNP will reach the target set by the Prime Minister (Mr. Mulroney) three years ago. I do not have to remind the House that the Prime Minister was quite specific as to what he believed that target ought to be in terms of government aid to assist less developed countries than ours. I only hope that by the end of his administration we will have reached that target.

In conclusion, I look forward to this Bill going to a legislative committee where we can study it in detail and ensure that it will be effective. As I indicated earlier, I noticed that the American Senate has looked at the convention and decided in its wisdom that improvements could be made in terms of the American commitment. I think it behooves us to follow that initiative, and to consider this carefully in the legislative committee to see if it cannot be made more effective in facilitating Canadian investment in developing countries.

I want to ensure that the legislative committee calls witnesses such as the Canadian Exporters Association, which has strong views on this legislation. We would also like to hear from the Canadian Chamber of Commerce, which obviously has a direct interest, in some cases even a vested interest, in the