

Development Assistance Debts

crushed by a virtually unpayable debt. We have to offer them an opportunity to recover. This is the purpose of this Bill.

• (1830)

[English]

Mr. Roland de Corneille (Eglinton—Lawrence): Madam Speaker, Bill C-62 deals with forgiving debts owed to Canada by a number of least developed countries which are not now in a position to repay their debts to Canada and will not be in a position to do so in the foreseeable future.

I am delighted to be able to have played a role in getting this Bill before the House and hopefully passed during the closing moments of House business before the summer recess begins.

We in the Liberal caucus want it to be passed now, before the la Francophonie and Commonwealth summit conferences are held so that Canada's credibility can be maintained in the area of international development assistance.

We are certainly pleased that the Government has brought this Bill forward at this time. We in the Liberal Party have pioneered official development assistance programs for many years now. As we know, not all of the assistance programs or loans of Canada's official development assistance programs are successful. Inevitably, some programs are not a complete success and some programs are failures.

We also realize the plight of the least developed countries. Indeed, the debtor countries involved in this Bill have suffered severe set-backs for some time now. Widespread drought and disease, and declining world prices in the staple cash crops they export has exacerbated the financial and social problems they face and rendered their debt retirements an impossibility.

In 1977, Canada announced that it was retroactively converting all these least developed country ODA loans to grants, as the Minister explained, and that in the future aid to these countries would be provided on grant terms only.

Togo and Mauritania did not benefit from the Canadian measure because at the time they were not identified by the United Nations as least developed countries.

However, Togo was added to the list by the United Nations General Assembly in 1982, and Mauritania was added in 1986.

Togo owes \$16.6 million and Mauritania owes \$4.2 million. The East African Community, or EAC, dissolved in 1977. It was only in May, 1984 that the three countries were able to agree on sharing the EAC liabilities according to a formula devised by a World Bank mediator, in an amount of approximately \$47.4 million. Those countries are Kenya, Tanzania and Uganda.

I am happy to point out that the financial costs of this legislation are nil. Decisions made at the time of the February, 1986 Budget mean that this debt forgiveness action involves no change in net ODA, no additional outlays and no additional impact on budgetary deficit.

In conclusion, I wish to express that we are pleased with Canada's policies on moratoriums on debts to least developed countries which are suffering so greatly from commodity price losses, from drought, and from many other social problems, including occasional invasion from outside.

I must add a sombre note and point out that Canada has been committed for years to the attainment of a .7 per cent of GNP as the ultimate goal of our official development assistance. We are gravely disappointed that the Government has been so very slow to implement the Prime Minister's (Mr. Mulroney) promise to increase Canada's ODA funding to .7 per cent by 1990. In fact, these figures have been greatly revised in a negative direction. It would appear that he is quick to promise but not agile in delivery. This is another broken promise which we deeply regret and which is particularly sad, as we go to the Commonwealth summit and la Francophonie conferences. I hope we will be able to anticipate some announcement there that will alleviate this decision.

In any case, on behalf of the members of my caucus I take pleasure in supporting the Bill which is now before the House for final approval.

Mr. Rod Murphy (Churchill): Madam Speaker, I also will be very brief in my remarks. We in the New Democratic Party wish to express our support for this Bill, an Act relating to the forgiveness of debts incurred or assumed in respect of certain official development assistance loans made by the Government of Canada to the Governments of Togo and of the Islamic Republic of Mauritania and also to the former East African Community.

It is obviously an important issue, and the whole question of Third World debt is something that has been receiving more attention lately. It is with some regret that we are speaking about this on the last day of the sitting when, at 6.35 p.m., there is just over an hour left to deal with four or five pieces of legislation. I wish the parliamentary calendar had provided for this legislation earlier so that we could discuss the wider problems along with the specific legislation.

Having said that, it is the intention of our caucus to pass this Bill through all stages this evening. We are pleased that there is some recognition of the fact that Third World debt is not only faced by countries in Latin America where most of the attention is presently focused, but an important issue facing African countries as well.

While the debts of those countries tend to be smaller in absolute figures, they are quite often larger in terms of debt—GNP ratio and in terms of debt-export earning ratio. It is a situation in which these prospects faced by many of these African nations and others are very great and something which the House of Commons should be considering.

As the Member for Eglinton—Lawrence (Mr. de Corneille) said on behalf of the Liberal Party, it is important to note that the Government has not kept its commitment of money for official development assistance. There was a promise to