

• (1620)

Higher oil prices affect both the developed and the developing world, but the consequences in the developing world, particularly the low-income countries, are much harder to manage.

In addition to coping with higher prices for imported oil, developing countries might find weaker markets for their exports if global growth is negatively affected by the increase in the price of oil and if inflation and interest rates increase.

Developing countries are much more vulnerable than developed countries to such changes in the global economy. Many may well have difficulty paying their import bills and in continuing to finance important government programs.

[*Translation*]

Mr. Speaker, the extent of the problem and the response of the international donor community were the focus of discussions at the annual meetings of the International Monetary Fund and the World Bank, which I attended.

It is essential to proceed with a joint analysis of the extent of the impact on developing countries and to provide for multilateral co-ordination, if we are to maximize the use of the meagre financial resources at our disposal.

A co-ordination process has been established.

The gulf crisis financial co-ordination group has already met twice, and Canada has been an active participant.

It is clear that growing economic pressures as a result of the crisis will make it very difficult for many developing countries to cope with their debt load.

Canada has been asking for some time for new measures to respond to the ongoing problems of developing countries regarding their debt.

The gulf crisis is even more reason to improve the debt strategy. At the meeting of Commonwealth Finance Ministers in Trinidad and Tobago last September, it was agreed that it would be necessary to take steps to improve the "Toronto terms" used to re-schedule the official debt to the Paris Club.

I am confident that this is a first step towards a broader, international consensus that is necessary if we are to improve assistance to developing countries that

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are having trouble re-scheduling their official debt to the Paris club.

Mr. Speaker, in concluding I would like to say that the consequences of the actions of Saddam Hussein will not be limited to the Middle East. They will be felt by all countries throughout the world.

Peacekeeping and resisting aggression are also elements on which the future of developing countries depends. As a citizen of the world, Canada will not forget the needs of the poorest people and countries of this planet.

Mr. Speaker, I think we are all aware of the wide-reaching consequences of the crisis in the Persian Gulf, and I believe that as Canadians, we must consider the disastrous impact of this crisis on the people concerned and make sure these people receive assistance from the international community and Canada, thus giving them hope for a better life in the nearest possible future.

[*English*]

**Mr. Jesse Flis (Parkdale—High Park):** Mr. Speaker, when the Prime Minister made his remarks on this issue of committing the Canadian government to up to \$75 million to assist some of the problem areas, assist refugees, et cetera, and we heard where some of that \$75 million will go today from the Minister for External Relations.

I am wondering if the minister, representing her government here today, could tell this House what her government is doing to assist the Canadian farmers who have lost contracts with the Iraqis. The Prime Minister in this House did hint that his government would consider such compensation to Canadian farmers. I am wondering if she could give us an update as to just how this compensation will work and in what amounts.

[*Translation*]

**Hon. Monique Landry (Minister for External Relations):** Mr. Speaker, my colleague's question is very relevant. Indeed, as member of the international community we endorsed and even actively participated in the drafting of the United Nations Security Council resolutions. Such decisions were necessary to put pressure on Saddam Hussein and make it possible for the international community to hope that Iraq would withdraw from Kuwait. This calls for commitments on the part of the Canadian government, and it was with that in mind that the Prime Minister announced that Canadians and the government would join in this international effort to