

*Financial Institutions*

for world development and because our financial and human resources can help them come to grips with some of the problems of underdevelopment.

But there is another side to the equation which involves certain benefits that flow to Canada. By supporting these multilateral institutions, we achieve a number of our own foreign policy aims. We broaden our development assistance program by diversifying its geographic and sectoral reach and, through the borrowing power of the banks, our aid dollars gain a multiplier effect. Beyond this we demonstrate Canada's commitment to international co-operation, a stronger North-South collaboration and our willingness, as befits one of the industrialized world's major economies, to share the burden, to contribute some degree of leadership and to take part in shaping international assistance policy.

Our participation gives us some influence over the course of events in those institutions and well beyond. In fact, we have a Canadian executive director on the board of each institution. It is a tribute to the role Canada has played over the years that in most cases our executive director also represents a group of other countries; for instance, the Nordic group and The Netherlands in the Asian Development Bank and the Caribbean group in the World Bank. All of this allows us to work toward a goal that is vitally important to every Canadian, helping to build a world that is more stable, safe and sane because it is more just and decent.

• (1530)

There are also certain economic benefits that flow back to Canada through our participation in world development. Many people make the mistake of looking at our aid budget and thinking: "Those funds are sent overseas, so they are subtracted from our wealth". The truth is quite different. In reality, our development assistance program not only creates or safeguards a substantial number of jobs for Canadians today, but enables us to help Third World countries build stonger economies that will become tomorrow's markets for our goods and services and will sustain the jobs that our children will need in the future.

In light of this, I would take issue with the view that there is any reduction in the constituency for development assistance in Canada today. Now more than ever our business community is recognizing the benefits to them, their employees and their shareholders of activities linked to Canada's international development program. Never before has the imperative of overseas markets been as pronounced and Canadian businesses are recognizing, if they did not do so before, that the excellent reputation Canada enjoys in countries of the developing world is in great measure due to our development assistance. Most Hon. Members will be aware that an average 80 per cent of expenditures under our bilateral aid programs return to Canada in the form of purchases of goods and services, thereby creating jobs for Canadians.

International financial institutions, the subject of the Bill before us today, also provide opportunities for Canadian businesses to prove that Canada has competitive goods and

services to offer the developing world. There are things that Canadians do particularly well—building railways, exploring for, developing and transmitting energy in various forms, developing agriculture and forestry programs, supplying telecommunications, and performing the roles of consultants and evaluators of development activities. Experience has shown that Canadians win a large proportion of the contracts for which they compete. The Government has over the years undertaken a number of initiatives to encourage Canadian businesses to seek out more opportunities in this promising field. Such efforts will certainly continue in the immediate future with all the vigour the Government can muster.

In the course of their comments on this legislation, a number of Members have expressed some legitimate concerns on a variety of subjects related to international development or to Bill C-130 itself. I should like to respond to at least some of these points now, although Hon. Members may wish to explore them in more detail later in Committee.

Canada's policy on international development is evolving to meet the changing conditions which we face in today's world. Some Hon. Members have, however, expressed concern that no formal statement of that policy, along the lines of the Strategy for International Development Co-Operation, 1975-1980, has been published. I can assure the House that the desire to have something in print, an authoritative text as a reference to help Members measure and judge the results of Canada's efforts, is a need appreciated by the Government.

At the same time, I would ask Hon. Members to consider carefully whether the current international environment of rapid, unpredictable change does not diminish the value of putting a great deal of effort into preparing a definitive strategy that would be partly outdated before it could be issued. A strategy issued during the period when the Parliamentary Task Force on North-South Relations was at work would have been ill-timed. Instead, the Government chose to wait for the report, then issue its response. We look forward with interest to the final report of the Parliamentary Subcommittee on Latin America and the Caribbean.

Understandably, Hon. Members have asked for information on the effect of the reductions in our anticipated aid expenditures announced in June and October. For the current fiscal year, these cuts can be accommodated from funds as yet unallocated, but the reductions mainly affect the coming two years. Because their scope is so substantial, it seems likely that virtually all parts of our aid program will be affected to some degree. The Government's decisions on proposed allocations for official development assistance for the next fiscal year will be announced when the Main Estimates for 1983-84 are tabled in Parliament.

In this context, I noted with interest the comments of previous speakers relating to the positive efforts and programs of the non-governmental sector.

We can all be proud of the record of our country's voluntary institutions in carrying out effective, fundamental development work that truly gets our help to those who need it, often through projects that show creativity and vision.