

Bretton Woods Agreements Act

relate to the speech made by the previous speaker. I therefore recognize the Hon. Member for Hamilton East.

Ms. Copps: Mr. Speaker, my comments will be very brief. I find it rather surprising that the Hon. Member should want to discuss Liberal promises dealing with the economy and the deficit. We remember quite well the current Prime Minister saying before the election that he would create thousands of jobs and would tighten his own belt. We now see what has happened. The unemployment rate is even higher than before. Our deficit will be the highest in the history of Canada. The dollar has reached its lowest level ever and the Prime Minister now has the cheek to increase the budget of his own office by—

Mr. Plamondon: I rise on a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Richelieu (Mr. Plamondon) on a point of order.

Mr. Plamondon: Mr. Speaker, if I could not say that the former Prime Minister had lied, I do not think that the Hon. Member should be able to say that the current Prime Minister is being cheeky.

Mr. Rossi: I rise on a point of order, Mr. Speaker.

Mr. Deputy Speaker: I would like the Hon. Member to sit down. I do not think that there is any need to hear him. I do not believe that the comments made by the Hon. Member for Hamilton East are unparliamentary. She can therefore continue her comments.

Ms. Copps: Mr. Speaker, it is rather sad to hear the Progressive Conservatives tell us that we have to tighten our belts at a time when the Prime Minister has the cheek to increase his own budget by 54 per cent. It will destroy the credibility of this Government which is already bankrupt after six months in power.

● (1125)

[English]

Mr. Deputy Speaker: The period for questions and comments is now over. We will resume debate with the Hon. Member for Kamloops-Shuswap (Mr. Riis).

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am going to return to discussion of the Bill specifically. I think it is appropriate that we use this opportunity at second reading to discuss the principle of the Bill. We will have an opportunity in committee and later to study the clauses of the Bill individually, step by step. I would like to take a few minutes today to put a few of my thoughts on the record. I do not want to rehash what other Members have spoken about, but I do want to set some of my concerns in context. I would like to take a few moments to discuss why we feel it is necessary to introduce Bill C-30, an Act to amend the Bretton Woods Agreements

Act and to repeal the International Development Association Act and amend certain other Acts in consequence thereof.

As most Hon. Members know, the name "Bretton Woods" goes back to 1944. Just as World War II was winding down a group of people met in a small town in New Hampshire called Bretton Woods. It had become very clear to the international community that there was a need for discussion in the post-war period regarding the international financial and economic environment. Countries were acting independently on monetary policy. They were acting independently on a number of global economic and financial issues. There was a need to bring the players together to discover whether there was a common policy that they could agree upon which would bring some stability to the international financial and economic world.

Out of that meeting called by the United Nations in New Hampshire in 1944 two institutions arose. The first was the creation of the IMF, the International Monetary Fund, to bring some monetary stability to the world. At that time, in an effort to enhance their export abilities, a number of countries were devaluing their currency. This was causing all kinds of inequalities in the financial market-place. The intent was to bring some monetary stability to the world so that currencies would not be changing value overnight to give a particular country some advantage. In a sense the IMF became an international bank. Over the years as many as 140 countries participated in providing money to the banks to be used to stabilize currencies. The contributions enabled every country to have allocated to it an SDR, a special drawing right. At a time when there was a balance of payments deficit as a result of countries importing more than they were exporting, they could draw on the IMF in an effort to correct this imbalance.

The second institution which was set up is called the International Bank for Reconstruction and Development. Over the years it has come to be known as the World Bank. It was set up at that time to assist primarily western Europe and Japan to rebuild their war-torn economies. It was to assist them in the financial development of the needed infrastructure. Since then, as we all know, it has come to be something quite different. The World Bank now focuses almost all of its energies on assisting the developing countries, the Third World—or Fourth World countries, as some people refer to the harder pressed nations—in developing the appropriate infrastructures that will allow them to get on with expanding a developing economy.

In 1956 it became clear that there was a need for a bank to be set up to help the private sector. There was a need for something other than simply building roads and putting in port facilities for an economic development infrastructure. There became a recognized need to assist the private sector that was operating in the Third World. Therefore, the International Finance Corporation was established. It would lend money to the private sector primarily in these developing countries. This was a first opportunity for a major bank to take an equity position so that the bank and a private entrepreneur could