

Bretton Woods and Related Agreements Act

thought that it could be a positive factor in encouraging needed private investment capital into Third World enterprises. As I said, the Senate committee here did not have a specific recommendation on MIGA.

As was said earlier, the mandate of the new agency will be to promote private investment in developing countries and to help create in those countries a climate conducive to foreign investment. The agency will provide foreign investors with insurance against non-commercial risks in developing countries, risks such as currency transfer risks, expropriation, breach of contract and war or civil disturbance. The agency will also carry out other promotional activities. It is hoped that foreign private investment will enhance the developmental prospects of host countries through the provision of non-debt-creating transfers of resources as well as a transfer of technology and managerial skills.

MIGA will be the third affiliate of the International Bank for Reconstruction and Development, generally known as the World Bank. Canada has always supported the activities of the World Bank since its foundation in the 1940s. Canadian staff have rendered distinguished service to the World Bank and its affiliates.

● (1620)

The Bill before us provides for Canadian membership in MIGA, as the Hon. Minister said. It designates the Bank of Canada as the depository in Canada for the holding of Canadian currency and other assets of MIGA. It also provides the Minister of Finance (Mr. Wilson) with authority to provide financial assistance to MIGA for the purpose of purchasing shares.

The immediate question that comes to mind is, why are we looking today at new expenditures which were not in the Estimates? Why are we having a surprise in September? The reason given by officials is that they had no authority to put it in the Estimates before the Bill was brought to Parliament and the convention ratified. That is logical, but it illustrates a continuing problem for parliamentarians in trying to determine the proposed expenditures of the Government and matching them with actual results.

Since the foundation of this new agency has been in the works for many years and the convention was signed by Canada almost a year ago, I think in future it is incumbent upon the Department of Finance to find a way to give Members of Parliament advance notice of proposed disbursements. This can be done by including them in the Estimates as a possible disbursement. The money involved here, as government expenditures go, is not very large, but there is a principle that if Members of Parliament are responsible for the public purse we need solid information and it needs to be timely.

Canada is entitled to purchase 2,965 shares in the agency at a total cost of some \$32 million U.S. The customary arrangement is that only a small portion of this is paid immediately. Within 90 days of the convention coming into force, Canada

will be required to pay 10 per cent of that amount in cash and a further 10 per cent in non-negotiable, non-interest bearing demand notes. The remaining 80 per cent is subject to call. Therefore, the Bill also authorizes the Minister of Finance to pay up to \$6,416,260 for the purchase of shares allotted to Canada under the convention.

As I said earlier, this convention requires ratification by five developed and 15 developing countries whose subscriptions total one-third of MIGA's authorized capital. In a report last July it was said that 15 of the developing countries had already ratified the convention and many others were interested. As I said earlier, the developed countries have been slower to respond.

The broad objectives of MIGA are such that most people in this House would support them. The encouragement of investment flows for productive purposes among developing countries is a mandate which goes past merely being an insurer against political risks. Most countries are interested in having an international agency which will work towards the improvement of investment conditions in member countries through a number of advisory and technical services which go hand in hand with the guarantee operations.

As I said earlier, Canada was one of the founding members of the World Bank and has supported it with both money and personnel over the years. It is therefore logical that we want to be involved in this extension of the bank's activities, particularly at a time when the world economy is not functioning particularly well. Over the past decade, even the richest countries have had to face unemployment, stagnant rates of economic growth, and spiralling inflation. However, the weaker countries have suffered far more. We have seen developing countries crushed under debt, partly because of the rapid increases in energy prices, and partly because of attempts to service a load of international debt. Recently we have seen some major banks write off some of that debt in an effort to assist the developing countries to get a little above water.

I hope this measure before us, by encouraging investment and the development of technological advice and assistance to less developed countries, will continue the aid to those countries. This is something in which we all have an interest, not only for humanitarian reasons but also for reasons of self-interest. It is in the interests of all of us that other human beings in other countries have the same rights to education, to a level of prosperity, and to developing their own goals and aims that we do. The more prosperous the developing countries are, the more markets we have for our products and the more we are able to look forward to alliances with strong functioning partners.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is a pleasure to have this opportunity to say something about Bill C-68. I want to join with my friend, the Hon. Member for Trinity (Miss Nicholson), in congratulating the new Minister of State for the Treasury Board (Mr. Lewis) on his first speech