The Acting Speaker (Mr. Paproski): The question is fine. Further debate.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I rise today to speak on this bill.

I want to take this opportunity to look at the whole question of international debt in the developing Third World countries, because it is something that Canadians should look at not only in terms of the international plight of nations, but in terms of Canada's role in that and Canada's values that we purport to hold.

I want to take a look, first, at some of the purposes that are set out in the articles of agreement of the International Bank of Reconstruction and Development. It states that one of the purposes is to promote the long-range, balanced growth of international trade and maintain an equilibrium in balance of payments, thereby assisting in rising productivity, standards of living, and conditions of labour in these countries. That is the key and goal that it set: to assist the rising productivity, standard of living, and conditions of labour in these territories.

• (1320)

The International Monetary Fund states its purpose to use the fund temporarily available to them under adequate safeguards, thus providing them with an opportunity to correct maladjustments in their balance payments without resorting to measures destructive of national or international prosperity. Those are nice goals, but if we look at what has happened over the years to the Third World debtor nations, those goals have not been met. In fact, the International Monetary Fund, the World Bank and the restructuring of debt has driven many of these countries into poverty and slavery to the international monetary markets.

It reminds me very much of that old coal miners lament: "Loaded 16 tonnes of number nine coal and what did I get? Another day older and deeper in debt. I owe my soul to the company store". That is what used to happen before labour unions. The companies made sure that the miners always owed more at the company store. They charged them usury rates, they refinanced their debts, they kept them in bondage. That is basically what has been happening in the international monetary market.

Let us take a look at how some of those country's debts developed. I will give two examples. Many of the debts that came out of the Latin American countries were run up by dictators who borrowed money not to assist the public, not to improve the working conditions, not to improve health conditions; but to line their own pockets, to put in developments that they or their families controlled, to make sure they had the military power to keep working people subjugated to their dictatorships. When they were overthrown they usually departed the country with the assets and the new emerging democratic countries were left with the debts. The new democracies paid the dictators' debts and forfeited their sovereignty.

The International Monetary Fund, the World Bank and private bank managers are the ones which are now dictating how the nations generate wealth, spend it, invest it, and share it. Debtor countries are not free to set their own monetary or fiscal policy, export or import measures, social or health programs, or wage and price policies. A democracy should be able to do all of those things. These new democracies have now lost their sovereignty to the International Monetary Fund and the World Bank. All that the system has done is make it possible for dictators to remain in power for years and to depart the countries with untold wealth and leave the debtor nations in poverty.

Another thing has happened. If you look at many of the developments, who benefited from them? Was it the Third World countries?

I will give another example. A Third World developing Pacific nation was talked into building an international hotel, a solution to its economic woes because it would get western tourists, affluent tourists. So, it was lent the money. What happened? Of course, all the materials were imported to build that hotel because the local building materials were not suitable for a western style hotel. All of the equipment for the hotel was imported; air conditioners, cutlery, bedding, and construction workers. These people were not skilled in modern construction techniques, in concrete construction, electrical wiring, refrigeration, air conditioning, so they brought in the workers. None of the money was spent locally. It benefited solely the people in the developed countries. In the end, they operate a hotel and they bring in the food for that hotel because western visitors want western style food. They bring in the trained staff to run the hotel.

The only jobs that the local people have are jobs that relate to the menial tasks such as cleaning the grounds, cleaning the building. Their economic viability has been ruined because they now have this massive international