

policies and institutions, to ensure that the resources provided by Canada and other donor countries within the framework of emergency measures and long-term development financing are indeed utilized as efficiently as possible.

● (1240)

To enable IDA to renew its efforts, Canada recently advised the World Bank that we would contribute \$100 million in Canadian currency to the American \$1.1 billion special assistance fund for sub-Saharan African countries. The fund is administered by IDA whose specific purpose is to implement political reform and structural adjustment programs to correct the weakening trend which now besets African nations. More particularly, IDA is attempting to boost agricultural production in that region.

The third amendment introduced would change the way Parliament approves Canadian financial assistance to those institutions. Instead of providing exact figures in the legislation itself, as the practice has been so far, the amount of Canada's contribution to each institution would come under parliamentary scrutiny each year after the estimates are tabled. Parliament would no longer be required to amend the legislation everytime we want to make an additional contribution under special agreements such as the special assistance fund for sub-Saharan African countries. At the same time, Parliament would be legally authorized to assess the payments made to each institution along with those made to the World Bank Group as a whole and other aid mechanisms, with a view to judging their advisability when the estimates are tabled.

This amendment would also make it possible to standardize the over-all process of payments made to the World Bank Group, along the lines of a special process approved by Parliament in 1982 in the case of regional development banks.

Canada was party to recent negotiations on a selective increase in IBRD capital stock—the International Bank for Reconstruction and Development—whereby Canada may acquire additional shares.

The total cost of additional shares would run up to about \$320 million in current Canadian currency. However, only 8.75 per cent of the shares' nominal value—roughly \$28 million in Canada dollars—are to be paid over a four-to-five-year period.

The remainder of our subscription is callable and represents a real debt of and a possible disbursement by the Canadian Government. Acquiring that interest will make Canada a shareholder of 2.92 per cent of the total capital stock of the International Bank for Reconstruction and Development, as such entitled to appoint a Canadian to the World Bank board of directors. This will enable us to scrutinize World Bank policies and projects, and make sure that its financial standing remains high.

Bretton Woods Agreements Act

Under the recently concluded agreement to double the capital stock of the International Finance Corporation—it must be paid in full—Canada is entitled to buy enough shares to maintain its interest at the current level of 3.85 per cent. This increase would cost Canada \$25 million in American dollars payable over the next five years.

The seventh IDA replenishment negotiated last year calls for a payment of \$9 billion for the three years from 1985 to 1988. Canada has agreed to contribute \$500 million, or 4.5 per cent of the resources.

Most payments to the International Bank for Reconstruction and Development, the International Finance Corporation and the International Development Association will be made through callable non-interest bearing notes issued by the Minister of Finance (Mr. Wilson) in the coming four years. However, the notes will be called over a longer period of time, as the institutions finance projects and programs in developing countries. That is why the replenishments and increases in capital stock will have a minor impact on our annual budgets. The latter appear in the Government estimates and will be submitted to Parliament for approval when the annual budget is introduced.

Mr. Speaker, since the above-mentioned amendments require a change of title in the Act, a number of consequential amendments must be made to five other acts under which the World Bank is granted authority to make borrowings in Canada.

Since those acts needed to be amended anyhow, we also brought forward other changes in order that the International Finance Corporation be allowed to make borrowings in Canada to the same extent as the World Bank is. Just like the International Bank for Reconstruction and Development, and as provided for in its Articles of Association, the International Finance Corporation is required to obtain official approval from the Government of Canada before it will borrow Canadian dollars or make borrowings on the Canadian markets. Since the International Finance Corporation does not make significant borrowings on the international money markets, there is little likelihood that it will attempt to arrange borrowings in Canada in the near future.

Before concluding, Mr. Speaker, we would like to point out that we are proposing in Clause 7 to amend the requirement for the Minister of Finance to submit to Parliament an annual report on aspects of the World Bank operations that directly concern Canada. That amendment tends to further specify the contents of the report, including the procurement of Canadian goods and services for World Bank funded projects.

With respect to those procurements, although Canada's help to member countries of the World Bank Group is predicated on the efficiency of those development institutions, we have to make sure that Canadians have access to that very significant market. Until now, Canadian suppliers of goods and services