

*Bretton Woods and Related Agreements Act*

slavery under the demands of the western nations, the commercial banks, and that financial structure created at the end of the Second World War in order to bring prosperity to the world. That debt poverty and slavery that grips and grinds down so many of the people of this earth is the final commentary on the failure of the arrangements made in the mid-1940s.

The leaders of the industrial countries are maintaining the demands of the International Monetary Fund that the obligations incurred in the 1970s and the 1980s are met. There has been some forgiveness. The current Government deserves some credit for the forgiveness to the seven poorest African countries. In a large measure there is still the requirement that the payments be made. The payments can only be made if the countries have a balance in their trade in order that they can earn the foreign exchange required to make the payments. Consequently, exports have to be pushed and imports have to be cut back, and there should be a balance available in such circumstances. To some extent a government could decide to follow that course. In the Nkrumah days that Government did limit imports in order to ensure that foreign exchange was available for development purposes. That is not happening these days. That money leaves Africa, or the countries of Latin America, or the Asian countries, in order to meet obligations incurred in the 1970s.

Without spending any amount of time on how that happened, in facing up to the responsibility we have here, we ought to recognize that when the price of petroleum was driven up by OPEC in the early 1970s and the whole western financial system got busy with what it could do with all this money, which could not be digested or absorbed by the OPEC countries, it ended up as deposits in the western banks. Deposits are liabilities. What is wanted are assets, and assets are loans. Banks internationally, as they did in Canada in those years, were pushing loans to build up their assets in a wild rush to destruction. Now the leaders of the industrialized countries, the International Monetary Fund directors, and the World Bank are involved in trying to head off that destruction that follows from that type of activity.

Given our complicity, that of the leaders of the industrialized countries, and the leaders of financial institutions, and what happened in the 1970s and 1980s, surely in the circumstances of loans that were made that could not be repaid in any sensible manner, and loans that were not oriented to development which would not achieve the type of profits required to pay off the debt incurred, it is necessary to take up the need for action.

I will not take the time to indicate in detail how tragic the situation has become in Africa. When we recognize that the debt service has now reached the level of 50 per cent of Gross National Product, one recognizes the type of shackles on African countries. When one contemplates the fact that the level of per capita income fell between 1980 and 1986 by 10.8 per cent, this is the very opposite of development.

For many years, one of the most impressive countries in western Africa was the Ivory Coast. It has been quite impressive in using western financial resource connections with France, particularly to develop itself. From statistics of per capita income, in the 1980s the per capita income in that country has fallen by no less than 23 per cent. That is the personal experience of individuals in those countries in the debt slavery imposed upon them.

Does Canada have a responsibility? Surely the answer can only be yes. Does Canada have the possibility of doing something about it? I would suggest if we return to the origins of Bretton Woods, some Members may wish to look at A.F.W. Plumptre's account of the organization of the Bretton Woods system. At the time Canada played its part between the Americans and the British. John Maynard Keynes was the British negotiator who was pressing for international arrangements that would make it possible for Britain to continue after the war and to continue after the U.S. lend-lease credits were cut off so abruptly when the war ended in Europe. He hoped for the type of assistance for reconstruction that was required, and he did not get it. Canada did all that it could to assist in that. In fact, in terms of lending to Britain in 1946 and 1947, Canada did more than the U.S. by a large measure, in fact to such an extent that Canada ended up in financial difficulties in 1947, which were only resolved by a combination of Canada's getting a share in the Marshall Plan expenditures by the U.S. and developments in the petroleum industry.

The fact is that in 1947 the United States recognized responsibilities for Europe that it had not seen when it was negotiating the International Monetary Fund arrangements in 1944 and 1945. The U.S. recognized the necessity of the Marshall Plan arrangements for European reconstruction. That recognition seems to point the way to what is required now. Canadian recognition of what is needed, and Canadian pressure on the United States to change its policies to recognize, as my colleagues have been pointing out, that orientation to the market, privatization, the imposition of these economic policies that I have been denouncing on one country after another lead not to development, but a grinding down into abject poverty for those countries.

There are proposals on the table that have been put forward as against the proposals of Mr. Baker from the U.S. Secretary of the Treasury which are very limited and piecemeal. What is required is to start with the most fundamental truth for the industrialized countries. If these countries of the Third World around the globe are forced to put all their resources and all their foreign exchange earnings into keeping the western banking structure going, we will end up in depression. As the Hon. Member for Ottawa Centre (Mr. Cassidy) pointed out, the U.S. decline as an exporter through this decade has been based on the fact that if a country cannot export what will happen to its industry?

The first principle and understanding is to recognize that somehow or another we need to take the weight of the western financial system off those countries for our own survival and in