

Bretton Woods Agreements Act

lending, something which has never been done before, and that maturities will be reduced as a means of supplementing resources.

Surely the Canadian Government must see that the Canadian public is concerned, that many members of the Canadian public recognize the crucial nature of the problems of the developing world and the less developed countries and that they are anxious to see the Government take a leadership role by addressing these problems in Parliament. Just as Canadians have demonstrated their concern about the nuclear threat, they have also demonstrated their willingness to respond to the poverty of the Third World by donating millions of dollars to the starving in Ethiopia and the Sudan.

Another very important question relating to international lending is that of human rights. We in this Party have repeatedly urged this Government and the previous Liberal Government to require Canada's directors, and in fact all Canadian representatives at international financial institutions, to consider human rights abuses when handling loan requests. Just last month I urged the Secretary of State for External Affairs (Mr. Clark) to live up to the Government's recent endorsement of a U.N. resolution condemning human rights violations in Chile and by advising Canada's representative at the Inter-American Development Bank to vote against a \$130-million loan to that country's repressive military régime. The Minister claims that he does not want to politicize the Bank's lending criteria. The fact is that he is politicizing it when he declines to look at the human rights record of the governments in question. The Government is effectively coping out on the human rights issue, as did the Liberal Government before it.

Interestingly enough, although I was earlier critical of the Reagan administration, even the Reagan administration, under congressional pressure, abstained from voting on the loan to Chile in compliance with its own human rights legislation on international lending. Canada voted in favour of the loan. Obviously there is a need for similar Canadian human rights legislation on international lending.

A major concern of the New Democratic Party is the increasing political interference in international lending. We are particularly concerned, as I have indicated, with the frequent role of the United States in pressuring the IMF, and indeed all international financial institutions, to take a harder line with countries whose political persuasions are deemed unacceptable to the Reagan administration. That is the kind of politicization about which we and the Government should be worrying. Surely this kind of activity is in clear violation of the fundamental principles on which the international financial and trading system was founded; multilateralism, non-discrimination and openness and special concern for poorer countries.

At the World Bank, the U.S. expressed concern not over these principles but over subsidizing utopianism in reference to a loan for collective farming in Tanzania. A confidential internal bank study recommended a squeeze on funds to Nicaragua until more concessions were made to the private

sector. I was appalled to learn recently that the United States Executive Director at the Inter-American Development Bank recently threatened to walk out of any meeting that even considered a loan to Nicaragua.

An Hon. Member: Hear, hear!

Ms. Jewett: That is what worries us, Mr. Speaker, and I am sure it worries the Secretary of State for External Affairs who, I am pleased to see, is present in the House. A country which has just had a democratic election with the participation of opposition parties in which the Sandinistas received almost the same percentage of the popular vote as did President Reagan, President Reagan is now calling undemocratic and the Hon. Member from the Conservative back-bench is saying "hear, hear" when I point out that the Executive Director of the IADB threatened to walk out of any meeting that even considered a loan to Nicaragua. This \$58-million loan to Nicaragua is one of the most investigated loans made in IADB history and one which every other country at the Bank has approved for consideration.

I was even more startled to learn yesterday that U.S. Secretary of State George Schultz has taken the unprecedented step of personally interceding to block this loan on the grounds that it might be used to finance aggression. This kind of intervention is setting a most dangerous precedent for all multilateral institutions and for the whole concept of multilateralism. Of course, the United States administration—though I would hope not the Conservative administration in Canada—would never admit that its \$1-billion cover war against the democratically elected Government of Nicaragua, together with its economic blockade of that country, is what has undermined the real economic and social reforms the Sandinista Government has struggled to achieve.

• (1610)

Do Hon. Members not agree that Nicaragua's land reform and literacy programs are among the best examples of a developing country which is achieving significant economic progress for its people? I would say that the Secretary of State for External Affairs agrees with that. Indeed, as we all know he has been very concerned about Canada giving assistance to the possible peace plan in the region and the Contadora process.

Nicaragua is a country which deserves not only assistance from the international financial system, but an increase in Canadian bilateral aid, which continues to be paltry in comparison with other countries in Central America which Canada aids where human rights violations continue to be an enormously serious barrier to development. It is development in the less developed countries with which we should be concerned. I am still concerned about the restoration of Canadian bilateral aid to El Salvador, because there is no evidence that the human rights situation in that country has improved. In fact, most objective observers feel that the situation has worsened.

As I said at the beginning, the international community seems to be moving further and further away from the original