

Adjournment Debate

Mr. Deputy Speaker: Pursuant to Standing Order 13(4)(a) I have been requested by the Chief Opposition Whip to defer the division until a later time.

Accordingly, pursuant to Standing Order 13(5) the division on the question now before the House stands deferred until six o'clock p.m. Monday, September 14, 1987 at which time the bells to call in the Members will be sounded for not more than 15 minutes.

PROCEEDINGS ON ADJOURNMENT MOTION

[Translation]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for St. John's East (Mr. Harris)—Supply and Services—Contract to videotape business excellence awards function—Request for introduction of new tendering process; the Hon. Member for Bow River (Mr. Taylor)—Agriculture—Special Canadian Grains Program—Request for inclusion of hay producers.

GOVERNMENT ORDERS

[English]

BRETTON WOODS AND RELATED AGREEMENTS ACT

MEASURE TO AMEND

Mr. Doug Lewis (Minister of State and Minister of State (Treasury Board)) moved that Bill C-68, an Act to amend the Bretton Woods and Related Agreements Act, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I appreciate the opportunity to move second reading of Bill C-68. The House will know that the purpose of this Bill is to amend the Bretton Woods and Related Agreements Act in three ways. First, it would provide legislative authority for Canada's participation in the Multilateral Investment Guarantee Agency. Second, it would provide funds for the purchase of shares in the agency. Third, it would incorporate an amendment to the articles of agreement of the World Bank into the existing legislation.

The principal objective of this Bill is to establish legislative authority for Canada's participation in the Multilateral Investment Guarantee Agency, also known as MIGA. The convention establishing the Multilateral Investment Guarantee Agency was negotiated under the auspices of the World Bank and opened for signature on October 11, 1986. MIGA's goal will be to help Third World countries find much needed

additional resources to finance their development by tapping the private sector. The agency's mandate will be to promote private investment in developing countries and to help create in these countries a climate conducive to foreign investment.

The agency will provide foreign investors with insurance against non-commercial risks, such as currency transfer risk, expropriation and similar measures, breach of contract, and war and civil disturbance. The agency also has a responsibility to conduct research and disseminate information on investment opportunities in developing member countries as well as to undertake other activities to promote foreign investment.

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. This Government has emphasized the importance of the private sector to Third World development and the role to be played by non-debt-creating foreign investment. The benefits of MIGA for the developing countries are substantial. Canadians will also benefit from Canada's participation in MIGA. Over time, MIGA is expected to help improve economic conditions in developing countries. Canadians would stand to benefit from improved export opportunities, and there is no question about that, Mr. Speaker. More immediately, Canadian companies investing abroad will be able to compete on an equal footing with companies from other countries that have joined MIGA.

The Multilateral Investment Guarantee Agency will complement national and regional programs rather than compete with them. Canada's Export Development Corporation, EDC, already provides insurance and guarantee cover for some non-commercial risks. MIGA is therefore expected to focus on guaranteeing investments from members without a national program, co-guaranteeing with national and regional agencies, providing re-insurance for national and regional agencies, and guaranteeing investment jointly financed by investors from different member countries. The convention establishes MIGA as an autonomous international organization. Although legally separate from the World Bank, the president of the World Bank would be *ex officio* chairman of the board of directors and would nominate MIGA's president. In addition, MIGA is expected to draw heavily on the services of the World Bank group. This relationship is intended to promote the agency as an international developmental institution and assist it to gain recognition.

Canada is entitled to purchase 2,965 shares in the agency at a total cost of \$32,081,300 U.S. Within 90 days of the convention establishing MIGA coming into force, Canada will be required to pay 10 per cent of the above amount in cash, a further 10 per cent in non-negotiable, non-interest bearing demand notes. The remaining 80 per cent is subject to call. Accordingly, Bill C-68 also authorizes the Minister of Finance (Mr. Wilson) to pay up to \$6,416,260 U.S. for the purchase of the shares allotted to Canada under the convention. These funds would come from Canada's official development assistance program.