

Furthermore, the lending policies of the five major Canadian banks, with an estimated \$10.3 billion outstanding in loans to Argentina, Brazil and Mexico, reflect this trend. All now attach high priority to restraining outstanding developing country loans and to expanding their lending activity in such high growth areas as the United States and the Pacific Rim. Also, and this is as important as either of the two previous points I have mentioned, no new issues of IMF special drawing rights have been allocated to members since January 1981. In fact, a decision not to issue special drawing rights in 1983 was taken due to U.S. opposition.

Along with inadequate IMF resources, more stringent conditions and performance criteria have been placed on developing countries seeking assistance. The IMF harsh stabilization programs are designed to correct chronic balance of payment deficits by reducing demand for imports while simultaneously boosting exports. Reduced internal demand is sought by demands to cut wages, reduce state subsidies on many goods, including food, thereby raising prices and a whole host of other measures designed to reduce living standards in the developing countries.

Measures to increase exports include, among others, currency devaluations to make exports more competitive and imports more expensive, concessionary tax laws for export industries and the creation of export processing zones designed to lure export oriented multinationals looking for a cheap, tightly-controlled labour force to exploit. In many instances, these conditions have led, as we all know, to severe social consequences such as high unemployment, as well as creating artificial distortions in the balanced growth of the domestic economies. There are many cases where less developed countries that were previously net exporters of food are now net food importers because the resources have been deliberately drained from the agricultural sector.

The austerity related unrest in Brazil is a serious threat to political stability in that country. The so-called IMF riots in Jamaica are also well documented. An uprising five years ago killed 800 people. A more recent public protest left several dead. In Jamaica, the current average wage is about \$12 a week. Unemployment is close to 30 per cent and inflation is also about 30 per cent. Is this what we are supporting the IMF for? I would remind Hon. Members that IMF is an integral part of this debate. Undermining its own stated purposes of promoting international monetary stability and co-operation, is that what we are doing? The big question of the IMF today is, the development is for whom? It is most probably not for the developing or lesser-developed countries of the world.

This brings me to one of the lesser amendments in the Bill before us which so far has escaped previous speakers. It is the amendment to Clause 7 which adds certain words. This clause provides that the Minister of Finance shall table reports of the agencies covered by this Bill and details of their operations which directly affect Canada. The amendment adds:

—including the resources and lending of the World Bank group, the funds subscribed or contributed by Canada, borrowings in Canada and procurement of Canadian goods and services.

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We have no objection to that addition to the clause, but I am curious to know why it applies only to the World Bank group, the IDA and the IFC. Why does it not also apply to the International Monetary Fund? Just because there was no need to mention the funding of the International Monetary Fund in this particular Act does not mean that the Government could not have included the IMF in that rather more detailed reporting system provided by the amendment to Clause 7.

● (1600)

Turning now from the IMF to the World Bank, criticisms similar to the ones I have just made about the IMF can now also be made of the World Bank, which formerly was not subject to this kind of criticism to the same extent. Now the World Bank seems to have underwritten the approach of the IMF.

Hon. Members will know that the World Bank has developed really innovative structural adjustment loans which are a form of balance of payments support. However, it now appears to be making these loans conditional upon a borrower's acceptance of an IMF adjustment program. If my understanding is correct, then it is basically underwriting the approach of the IMF.

Second, regarding the IDA window of the World Bank, it seems to me that replenishments to the International Development Association of the World Bank are becoming increasingly uncertain. In 1981, the Reagan administration reduced the U.S. contribution of \$3.2 billion to the sixth replenishment, commonly known as IDA-6, by deciding to stretch payment over four years rather than three. This resulted in a 35 per cent slash in lending in 1982. Fortunately, the non-American IDA deputies agreed to bridge the shortfall until IDA-7, this year, by contributing an additional \$2 billion. I should like to note that this \$2 billion was actually placed in a special fund which restricted procurement to the contributors and other developing countries as a symbolic show of disapproval of the position of the United States. This was quite remarkable since IDA donors only contribute in proportion to the contribution of the United States, pursuant to the 1980 agreement.

Nevertheless, the U.S. breach of the principle of burden sharing continues. At the negotiations for the seventh replenishment, the U.S. proposed a replenishment of \$9 billion in response to the Bank's stated minimum amount of \$16 billion. Canada and other donor countries sought a compromise of \$12 billion but without success. This has precipitated the creation of another special fund for sub-Saharan Africa of \$1.2 billion with \$100 million coming from Canada.

The downward pressure on IDA funding levels will continue to have its most severe effects on the countries of sub-Saharan Africa, countries in which the average annual income, excluding Nigeria, was only \$330 in 1979 and has since fallen .5 per cent each year in real terms. The drought-stricken countries of Africa will have little chance of escaping the tide of famine that individual Canadians are now trying to stem.

Finally regarding the World Bank and IDA, it seems likely that a modest interest charge will be levied quite soon on IDA