

Of course, we cannot ask for guarantees. We are not asking for that, but to refer to this initiative as an experiment is not apt. Conditional aid is not new and the failures in implementing this aid are not new. Canada must ensure that these errors are not repeated. Our representatives on the International Monetary Fund should be involved in the monitoring of the program.

As the Hon. Member for Trinity said during her speech at second reading that our Party supported the Bill in principle. The ESAF, as one expert witness told the legislative committee, will provide a window through which richer countries can channel resources to poorer countries. It changes the structure of the IMF from that of a revolving fund. Mr. Michel Camdessus, the new managing director of the IMF, has shown great interest and sensitivity to the concept of adjustment with a human face. I hope this sensitivity will be reflected in the important evaluation, implementation, and monitoring of conditional aid about which the Hon. Member for Trinity spoke previously.

However, while we support this Bill and while the ESAF is necessary, I must point out that it is not a sufficient vehicle for alleviating the debt crisis in the poorest countries. According to a recent United Nations report, \$5 billion in additional flows are required to secure adequately economic growth, to increase imports, and to reduce the debt service ratio in sub-Saharan Africa. The commitments by Canada and other countries to the ESAF reduces this \$5 billion figure to about \$2 billion annually, so it is a help. It is also important to note that Canada's contribution to the grant component is not new money but is allocated from our development aid envelope.

Much remains to be done. The poverty in these countries is crushing. Evidence of assistance and aid that address the quality of life, employment needs and social programs in developing countries has been meagre to date. In order to improve the economies of these countries and to set them on the road to economic independence, programs like the ESAF are important. We also need to see evidence of the human face of adjustment that will ensure sensitivity to each country's needs. This means mutual co-operation between assisting and assisted countries when it comes to conditional aid in the future.

I offer these comments as a contribution to the debate on third reading of this Bill. In so doing again I want to pay tribute to the important work of my colleague, the associate critic of finance for the Liberal Party, the Hon. Member for Trinity, for the excellent work she did in studying this Bill and putting forward the point of view of the Liberal Party.

The Acting Speaker (Mr. Paproski): I will recognize the Hon. Member for Winnipeg North Centre and let the Hon. Parliamentary Secretary be the clean-up batter.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, once again I will assure the House that I will not take too much time this evening, but I have a fundamental point I want

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to make. I will start by indicating that we will not be opposing this legislation.

I understand that the legislation makes some money available at low interest rates to developing countries, and this is not to be sneezed at or condemned, yet important questions have to be faced in this debate with respect to debt and international development.

The simple point I want to make is that this issue is not a question of whether we have done our share or whether we have done a little more. There are fundamental questions of direction involved, of conception about what is the problem, and what it is we are trying to do on the international development arena with regard to debt.

Over the last few days I focused my attention on a headline in the newspaper. A gentleman who was involved in an international development agency had done a study and said unconditionally that international debt owed by developing countries, which were being forced to pay back, was causing the deaths of children. What we are faced with here is a question of life and death. It is a critical question.

When I hear of international debts, what I understand as a lay person is that the big western banks, including Canadian banks, went on a binge in the last couple of decades lending out money to the poorest nations of this world. Now that they are faced with the hangover and now that the western banks themselves are shaking, they are asking these poor countries to pay up. But, at what price? It is at the price of life and death; that is the implication for those communities. These banks, which want to preserve their efficiency as institutions of capital, are doing it at the cost of the lives of people in developing countries.

If that was the only thing that was possible, then I guess we could close our books and our mouths, go home and watch television and forget about it. I saw something else in the newspaper over the last few days. It was an article about a man who lived in Bangladesh. He started a bank with a difference. It was a bank that lent money to the poorest of the poor in the poorest country. When the man went to a conventional bank to help borrow money for a local family, a local entrepreneur but a poor person, he found that poor people could not borrow money. The poor people did not have access to the capital necessary for development. He stood good for that person. He used his own name as a guarantee in order for the loan to go through.

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That was the start of this bank with a difference. What was different about it was that it lent money to poor people who had no collateral. Western banks, as we generally know them, demand collateral before one can borrow money. He changed that. What he did was that he got together a dozen people, each of whom needed money. They all stood for each other in terms of their loans. Thus, if one person in the group was not