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was completely wrong. I think there were some good ideas behind that auctioning. But the way it was done in Zambia fuelled inflation and also fuelled an increasing sense of anxiety among the average Zambians and also the more educated, who began to ask, where else can we go; my family will not be able to survive in Zambia. These were not just your peasants and your working class people; these were your university lecturers and mid-level people in the mines, saying it does not look good for us.

In December 1986 the Zambian government removed a major subsidy on the key commodity that everyone eats, called mealy-meal, and it drove up the price overnight by 100%. Not surprisingly, since it occurred just before Christmas, that was followed by what they call the Christmas riots. The people took to the streets in the major towns and they trashed the millers, the mealy-meal suppliers, the government; then they went for government offices and for the party offices, and it was pretty clear that a serious political event was occurring in Zambia. Not so surprisingly, soon thereafter the prices were rolled back, their government began a series of conflictual negotiations with the IMF, and in May 1987 the Zambians said they were not going to continue with this program.

In breaking away from the funds program, the Zambians also took the Peruvian example, which was to pay only 10% of their export earnings in debt servicing—this year, 1987, 10% of their export earnings to service the debt. It was estimated by the central bank that to actually service the debt completely would be between 90% and 100% of export earnings for that year, so they went from paying 90% to 100% of their export earnings down to 10%.

Most of the major donors suspended their relations with Zambia as well with the breaking away from the IMF. Some of them did not break them off completely. I think CIDA continued their food aid and their technical assistance program—I think Mr. Massé can correct me if I am wrong there—but basically no new projects were undertaken and the Zambians were cut off from aid.

Effectively, if we look at the manufacturing sector, the period of the structural adjustment policy was very rigorous throughout the society, and the manufacturing industries that supplied consumer goods that were owned by the state were slowly being starved of cash. The Zambians followed with their own internally oriented strategy, which said yes, we have to structurally orient; let us take what foreign exchange we get and funnel it into those industries. But given the fact that they also were being cut away from any major inflows of aid from donors or foreign investment, they were not able to supply adequate funds to those industries or those industries were just not functioning well enough. So to date, I gather, the figure for average capacity utilization in the manufacturing sector in Zambia is about 40%.

• 1115

To conclude on the manufacturing thing and then to talk briefly about the social impact, I think if one looks at

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fait mauvais, mais la façon dont on a procédé en Zambie n'a fait qu'attiser l'inflation et a engendré un sentiment de panique parmi la classe moyenne. Les gens les mieux instruits se demandaient même où ils pourraient bien aller parce qu'ils craignaient de ne plus pouvoir subvenir aux besoins de leur famille. Il ne s'agissait pas de paysans ou d'ouvriers, mais d'enseignants universitaires et de cadres moyens de l'industrie minière.

En décembre 1986, le gouvernement de la Zambie a supprimé la subvention versée à l'égard de la farine d'usage courant appelée «mealy-meal». Le prix de ce produit a augmenté du jour au lendemain de 100 p. 100. Comme cela se passait juste avant Noël, il y a eu ce qu'on a appelé les émeutes de Noël. Dans les principales villes, les gens sont descendus dans la rue et s'en sont pris aux meuniers et aux fournisseurs de la farine. On s'est très vite rendu compte qu'il s'agissait d'un événement politique d'envergure en Zambie. Peu de temps après, on a réduit les prix de ce produit, le gouvernement zambien a entamé de dures négociations avec le FMI et a annoncé, en mai 1987, qu'il mettait fin au programme d'ajustement structurel.

La Zambie a aussi suivi l'exemple du Pérou en décidant de ne pas affecter plus de 10 p. 100 de ses recettes d'exportation au service de la dette. La Banque centrale avait calculé que la Zambie devrait affecter entre 90 et 100 p. 100 de ses recettes d'exportation pour vraiment assurer le service de la dette.

Les principaux pays donateurs ont suspendu leurs relations avec la Zambie bien que certains ne l'ont pas fait totalement. Je crois que l'ACDI a continué d'accorder une aide alimentaire et technique à la Zambie, et M. Massé peut me corriger si j'ai tort, mais je ne pense pas que de nouveaux projets aient été mis en oeuvre.

Toute la société zambienne a ressenti les effets de la politique d'ajustement structurel, et les industries manufacturières étatisées qui fournissaient les biens de consommation manquaient de fonds. Le gouvernement de la Zambie a reconnu qu'il lui était nécessaire de procéder à l'ajustement structurel, mais a décidé de le faire en canalisant les devises étrangères dont il disposait pour favoriser la croissance de son industrie manufacturière. Or, il lui était difficile de le faire au moment où le pays se voyait privé de l'aide et des investissements étrangers. Je crois que le taux moyen d'utilisation dans le secteur manufacturier en Zambie est maintenant de 40 p. 100.

Avant de passer aux conséquences sociales de l'ajustement structurel, j'aimerais d'abord dire que ce