

*Government Orders*

For these and other reasons we welcome the legislation before us. The Export Development Corporation has a long and admirable record. I note that in this past year it made a profit and that is not something that most Crown corporations can claim. I look forward to the Export Development Corporation continuing to maintain its viability and its contribution to the Canadian export community partly through the new mandate we are giving it today. It is a mandate that in our view is overdue and certainly to be supported.

**Mr. Vic Althouse (Mackenzie):** Mr. Speaker, I am rising to speak on this bill extending further authority to the Export Development Corporation, which I think is a useful thing to do. Crown corporations cannot function when they are restricted and these amendments all add to the ability of the corporation to do its job which is to assist in the insurance of export credits to exporters who wish to go into the world market.

The proposals that are included in the bill provide additional abilities by the corporation to meet new competition and are new practices that have developed since the corporation began its operations in 1944. A lot of practices have changed and a lot of our foreign competitors do in fact have rights and privileges available to them that are no longer available to Canadian exporters simply because we have not brought our practices, laws and rules up to the levels that exist among foreign traders.

By my reading of the act, among other things, it would permit the Export Development Corporation to take an equity share in some projects that would permit it to act as a catalyst in mobilizing investors, other banks and banking institutions and make it possible for the funding of larger projects to proceed.

Sometimes the ability to take a minor equity position in a project may bring credibility to the whole project that would in fact attract other legitimate investors in the project.

As large projects and long-term projects develop, it becomes more and more necessary for the Export Development Corporation to be involved over a long term for many years and some of these changes that are proposed in the act appear to facilitate that need.

• (1555)

Another thing many of the users or would-be users of the Export Development Corporation have complained about involves the current requirement for setting up a multitude of export development contracts with different countries and different contracts for domestic sales as opposed to export sales so that a company like a textile manufacturer that exports some of its product has to keep two sets of accounts: one for its exports business and the other for its domestic business. A lumber company that might be doing business both internally and externally will find the ability to offer one contract for both internal and export business to be quite attractive.

It also has the effect of spreading the risk of the Export Development Corporation in making it less subject to bad collections in the event of a sudden collapse of a foreign country or a foreign currency market.

Many of our competitors are now in the business of making available to their exports long-term pre-shipment financing so that the pre-shipment development costs of getting the business are being financed in other countries and in other jurisdictions. The proposed amendments to this legislation would allow the Export Development Corporation to provide that kind of service as well, again a laudable acceptance on the part of the government and the corporation. In order to do long-term business they are in fact going to have to participate even at the planning and pre-export stages of the project aimed at increasing exports to other regions.

The fourth area that appears to provide some change would be the one permitting or enhancing the ability to support export sales through leasing arrangements. It would permit the EDC to act as a lessor or permit it to take direct equity participation in a lease financing arrangement so that a variety of partnerships could be established.

These proposals provide the kind of flexibility that seems to be there for our competitors and should assist somewhat in providing the infrastructure our exporters require in arranging the financing and insurance that go with completing an export sale.