reluctant in the past to jump into the unknown whereas, for instance, the great majority of exports from the federal Republic of Germany are channelled through such businesses. Other countries like Canada or France have shown a tendency to let the giants operate and to let major companies—often Canadian branches of multinationals—use their markets or their information facilities. Our companies would rather act as subcontractors or, as I said earlier, fill the needs of local markets. When economic activities elsewhere are such that each year they record a growth rate of 5 per cent 6 per cent or 7 per cent a businessman may be satisfied with that approach if he considers stagnant conditions back home. If any Canadian business, big or small, is to survive it must seek out markets to boost its sales.

So, Mr. Speaker, it may be correct to say that Canadian businesses ought to be able to open markets on their own, but reality is such that measures like the program for Export Market Development have been fully endorsed by the Canadian business community, most particularly by small and medium-size businesses. So much so that at the end of 1980 all funds had been spent and there was a mini-revolt among Canadian businessmen. Two or three months after the money was gone we had to get more for this program and that shows how popular it is, but what is a lot more significant is the fact that small and medium-size businesses have begun to show interest in export markets.

In reply to this request, the Minister of State for Trade (Mr. Lumley) announced on January 5 that the government would double the funds made available under this program as well as those made available for exhibitions and missions. What about exhibitions and missions? This is another program which provides assistance to small and medium-size Canadian businesses by increasing their exposure and showing their goods abroad without having to travel, to contact local agents, to move in line like a travelling circus loading and unloading their products, since it is the government which takes charge most of the time of the logistics when Canadian products of competitive quality are being displayed abroad. These programs make the export markets more accessible to the corporations which want to take advantage of them. They are quite popular. Even if we are not used to international trade fairs, and although a number have been held, there is one in Ontario for spare parts for cars. As far as I know, it is an approach which is largely used in Europe, especially in Germany and Great Britain. As I said earlier, this program is a tremendous success, so much so in fact that we have also doubled the funds for this program.

Third, an important aspect of Canadian exports deals with capital intensive projects. A parliamentary committee, and I shall come back to this in my closing remarks, is looking into that matter. However, outside the work of that parliamentary committee, Canadian businesses have had occasion in the past to explore the possibilities for Canada to export for capital intensive projects or what is commonly known as turnkey projects. According to their findings, whether they were dealing with turnkey or capital intensive projects, or big projects involving huge amounts of money, when otherwise competitive Canadian companies which had availed themselves of the advantages and services offered by the Export Development Corporation went abroad to offer their services, competing companies from other countries, especially France and Japan, enjoyed credit facilities through their governments that were so much better than ours, in the sense that all things being equal, or even occasionally the Canadian offer being superior, the credit terms offered by the buyer country were such that French or Japanese companies were awarded the contracts. What technique was used? That is known as a credit mix. What, then is a credit mix? I shall try to explain in a few words, Mr. Speaker.

Rates of interest are not the same in all industrialized countries. In Canada, they are, as we know, around 15 per cent; in the United States, 17 per cent; in Europe, depending on the country, they run from 9 to 15 per cent; in Japan, they stand around 7 or 8 per cent. So, with the case of a contract to export goods for a huge amount, since these goods often go to underdeveloped countries, or countries with insufficient funds available, part of the exports have to be financed. In most cases, government agencies do the financing; in Canada, the Export Development Corporation does it. So, in order to prevent government institutions from outbidding each other with regard to interest rates, developed countries have agreed never to offer a rate that is lower than a set percentage; at the present time that rate is 7.75 per cent. It is known as the floor rate.

Those countries with a national interest rate of 7.75 per cent do not have to grant any help to their local businesses. But a country like Canada, with higher interest rates through its Export Development Corporation, does have to provide guarantees to Canadian financial companies in order to bring down the interest rate to a level near the consensual rate. But there are always some shrewd types, Mr. Speaker, who find ways to thwart deals freely entered into by the parties. This is particularly so with the French who have developed and implemented a technique called joint credit. What is joint credit? The consensual rate is offered for the normally allowed part of the export guarantees, i.e. 85 per cent of a project.

On the other hand, a few months before, a minister has negotiated with the government of the other country a deal or a draft deal under the terms of which the French government undertakes to grant financial assistance to stimulate that country's economic development. Then what happens? For a given project, the French government will say: "If you accept the submission of the French compamy, we will provide the consensual rate of 85 per cent. And for the remaining 15 per cent, we will offer a preferential rate, either an interest-free loan or a loan with a minimal 2.5 per cent or 3 per cent