

Export Development Act

1983. Nineteen eighty-three, of course, is five years from now. It does not have to come back to us in the estimates if it gets its funding from non-government sources.

It means it would not have to come back to us until 1983 to get these limits established or expanded again. We believe that that is far too long a period.

It was suggested by the president of the corporation that they might have to come back in three and a half years' time. Even a three and a half year period, in our view, is too long. We need some assurance that this corporation is going to come under the scrutiny of this House of Commons or its committee every year. The people who are running this corporation have amply demonstrated the fact that they need to be under someone's scrutiny. They suffer, according to the evidence that came before our committee, from what the Greeks call "hubris", insolent pride or over-weening pride, and it is going to lead to their nemesis unless they come under closer scrutiny by this House.

We know that the financing and the gaining of exports are only part of what we need here in Canada to overcome our economic problems. The problem is that the government has no over-all policy. The only policy that the government seems to have is to have EDC finance exports madly and competitively, and try to get all the exports we can without worrying about the type of exports. Manufactured end products are not being exported in any great quantity, it is mostly raw materials and semi-processed goods, and 70 per cent of our exports are to the U.S. anyway.

The government has overlooked the fact that in addition to increasing our exports we need to be more competitive so we can decrease our imports, Mr. Speaker, and that we can exercise import substitution so that we can see Canadian manufacturing industry produces more of the manufactured end products in order that we do not have to be importing huge volumes of manufactured and products, which caused a deficit in that area of \$11.5 million last year. There is no over-all strategy.

I want to refer to some of the points that were made on second reading of this bill, particularly by our leader when he spoke on April 27, and then to see where some of these points were borne out in the evidence that came before the Finance, Trade and Economic Affairs Committee of this House.

The first point that our leader made in his remarks on April 27, is reported in *Hansard* at page 4925, and reads:

I personally have been alarmed at the performance of information officers of the Export Development Corporation, which very much borders on the partisan—

That was a matter well borne out in the committee in the way that the EDC has conducted itself in its public relations in recent years, its political partisanship. For example, in the January-February 1978 issue of *EDC News*—here is a Crown corporation putting out a bulletin paid for indirectly by the taxpayer—on the second page of that bulletin practically the whole page is taken up with an article entitled "EDC Answers MP's Charges." They go on to cite the hon. member for Victoria-Haliburton (Mr. Scott) who had had an article in

some local newspapers calling for the abolition of the EDC, and answering points they said he made, and identifying how they thought he was in error.

That matter also came up in committee, the matter of the EDC taking it upon itself to involve itself in the political in-fighting that goes on, and must go on in our system. That, Mr. Speaker, was something that should have been left to their minister to do if he thought it worth doing. If he thought the EDC needed to be defended politically, it was for the minister to do that, not for a Crown corporation to undertake that job itself through its public relations officers.

When the minister was before the committee and he was questioned on that and on other incidents such as the public relations officer for EDC actually writing to a newspaper out in the district of the hon. member for Kootenay West (Mr. Brisco), actually writing letters to the editor replying to some statements that the member for Kootenay West made in this House—they had actually sent letters to the paper repudiating or answering arguments that he had made. It was put to the minister when he was before the committee that this corporation was dangerously involving itself in the political sphere. The minister was good enough to admit that perhaps he should have authorized the letters, and signed them. He gave an indication that my criticism was accepted and that the chairman was there and had heard the criticism. It would be taken note of that the political affiliation of anyone misconstruing, he said, the department's good work would not be mentioned from here on in. That is found in Issue 28 of the committee at page 28:9.

Later in the proceedings of this committee the president of the corporation himself, the man who exhibits dangerous signs of arrogance, did not appear prepared to take the advice of his minister in this direction. He felt there might be certain occasions when he would have to defend the EDC that could not be left up to politicians I suppose such as the minister, who might not be able to do a capable enough job defending them—that was the implication. He seemed to be taking the position that it still might be in order for them to engage in this kind of partisan debate. That is one of the reasons why this agency needs to be closely watched by this House—the kind of article which we saw in the January-February *EDC News* that I hope we will not see again.

Along the same lines we have certain political advertisements that have been appearing, on the Export Development Corporation. I would like to refer to Issue 29 of the committee where that is also mentioned. The EDC has had quite an ad campaign under way in recent months in this country. It is peculiar that the timing coincides with the fact that the legislation was coming before this House.

Questions were asked as to what was the advertising budget for the Export Development Corporation. It is quite interesting to see what happened. In 1973 this Crown corporation spent \$1,500 on advertising. In 1974 that jumped to \$12,100. In 1975 they went berserk and went to \$161,000. In 1976 there was a slight reduction; they spent \$128,000. Perhaps the