Bank Act will deal with les caisses populaires and with credit unions.

Let me come back to this bill, because the government's inaction and delay have created an atmosphere of crisis about this bill also. Under the provisions of this legislation, the total authorization for EDC would increase to $26 billion from $8.85 billion. That $26 billion is equivalent to 10 per cent of the current domestic gross national product.

Since 1969 when the EDC was first established, the authorized capital for corporate lending has risen from $600 million to $10 billion—a sixteenfold increase in less than ten years. In corporate insurance, this rise has been from $250 million to $10 billion during the same period. In other words, the growth has been nothing less than dramatic.

But we have to ask the question: what do EDC loans provide Canadians? The EDC, just to cite some examples, has lent something like $350 million to finance pulp and paper mills in Poland, Peru, Romania, Argentina, and Iran. These projects, built with Canadian capital goods, eventually compete with Canadian pulp and paper mills for markets. This is particularly troubling in view of the difficulties that Canadian manufacturers of pulp and paper products have had in finding markets during the last couple of years.

Again, EDC has financed $78 million worth of nickel mining projects in Guatemala and Indonesia. We know to our sorrow that 4,000 Canadian miners recently lost their jobs in Sudbury because of depressed world nickel markets. That was before these two new EDC financed nickel mines, operated with cheaper labour than is available in Canada, achieved full production.

Again, EDC financed a mini steel mill in New Jersey, the cost of which was in the neighbourhood of $47 million. It financed other steel operations in Texas, Minnesota, and Great Britain. In fact EDC financed steel mills outside of this country with $100 million in Canadian taxpayers' money, and that at a time when Algoma steel is experiencing difficulties in finding markets for its rolled steel products, and at a time when Stelco is forced to slow down the pace of construction for its Nanticoke mill because it has no markets for its end product.

Again, EDC has financed projects in a number of countries behind the Iron Curtain, such as in Russia, Poland, as I mentioned, Yugoslavia, Czechoslovakia, Romania, Hungary, Bulgaria, and Cuba. Many of the projects which have been financed by EDC will compete directly with Canadian manufacturers, when they are completed. Because all operate with state planned economies, wage costs can be adjusted in various ways to make plants competitive at all cost in world markets and to make them competitive with Canada in an unfair way.

The point that we cannot lose sight of, and the point that I rise today to emphasize, is that the activities of EDC may seem to be providing a short term benefit for Canada. We may have exports of capital equipment to build steel mills and pulp and paper plants, but that is only a short term benefit. The long term result could very well be the loss of Canadian jobs to concerns and projects which are financed abroad by the Canadian Export Development Corporation. These plants are more efficient because the are newer and cheaper to operate, and because they operate in countries where wage costs are lower. What long term good is there for Canada if we eliminate our own industries for the short term advantage of some export contracts?

• (1532)

Part of the difficulty is that the government is operating, in terms of the Export Development Corporation, without any kind of long term industrial strategy.

Some hon. Members: Hear, hear!

Mr. Clark: There have been a number of failures by this government during the ten years in which it has been in office. But none has been more significant for the long term future of the country than its absolute failure to establish any over-all sense of direction for Canadian industrial development. That means Canada goes to GATT with no industrial strategy than to follow the Americans. It means we have the Export Development Corporation spending Canadian money to create plants abroad that will compete with Canada and cause unemployment here. It means a number of other inconsistent actions which can work very seriously against the long term interests of Canada. Canada requires a national industrial strategy which will provide some direction for the Export Development Corporation, as well as some direction in what we are doing at GATT. Instead of that, we receive six-month budgets and Export Development Corporation bills brought in at the last minute during a state of crisis, when there cannot be the detailed examination that the public interest and the House of Commons require.

Some hon. Members: Hear, hear!

Mr. Clark: What is abundantly clear to all of us is that the Export Development Corporation engages in very little long term planning. It is an ad hoc organization, operating without the guidance of a national industrial strategy. It looks for immediate gains, but it gives far too little attention to the long term costs to Canada of some of the ways in which it is spending Canadian money abroad.

I do not blame the directors of the Export Development Corporation. As always, the fault lies with the government of the day on questions of policy. The government of the day has failed to give the direction which is necessary to the Export Development Corporation. The government of the day has failed to develop the industrial strategy which our nation needs. Because of those failures by the government, we face a short term crisis now. There is a real dilemma for EDC.

The government has delayed the introduction of this piece of legislation for so long that a crisis has been created. We will help the government get out of that crisis. Also we will assist it in raising very quickly the authorized capital of EDC. But in committee, in the next stage of debate on this matter, we will