

Export Development Act

foreign countries, and so we must look at this particular clause very closely.

There are two further points I would like to examine briefly this afternoon in relation to the bill before us. I think it must be kept in mind that credit programs and credit insurance programs are an instrument of policy. They can be effective only if there is adequate policy direction. There is a very real need for policy direction. This concern was expressed in the 1969 debate, that adequate policy direction and development were essential for effective operation of the legislation. At this stage I do not pass judgment on this particular matter. I just wish to draw it again to the attention of hon. members.

We must also keep in mind that trade policy is a crucial and critical area of Canada's economic policy. I have taken note of some of the speeches delivered over the past year by the Minister of Industry, Trade and Commerce, in which he makes reference to the new challenges and the new trends in trade. He finally ends up by suggesting in effect, "I am all right, Jack," or "We will handle it somehow." Now, there has been something of a change in tone. This was certainly evidenced by the statement which the minister made to the House of Commons on motions on December 1, which in fact indicated a very drastic change of attitude. There is now something in the nature of panic in the approach of the government and the minister. This very clearly indicates that the happy salesman, the smiling salesman approach, simply is not good enough in dealing with trade matters.

We do have new developments in trade, Mr. Speaker. The dangers of an increase in protectionism are with us. We must take note of them and try to counter some of the possible developments. We also note the development of regional blocs in world trading patterns. We have also to take account of developments with respect to the European Economic Community. GATT has, of course, developed into a much broader and different organization from what it was when first established. We have special deals in international trade today. All of these things must be taken into account in developing our over-all approach and policy with respect to trade.

Some of these developments must be related to other phenomena such as the growth of international corporations. Some people predict that by the end of this century nation states will not be the important unit in world affairs, and that the important unit will be the multinational corporation. This has very profound implications. We must take note of the fact that probably one of the reasons for the growth of the European Economic Community was the desire of European countries to develop institutions which could compete with international corporations undertaking activities in Europe.

In our own country we have a problem in respect of the large degree of foreign ownership and control of our economy. All this has produced distortions in our trade and trading patterns. And to obtain further information from the minister I ask, what is the policy of the Export Development Corporation in that regard? Does it have any policy with regard to the manner in which its programs will encourage trade on the part of foreign owned

[Mr. Burton.]

and foreign controlled corporations? Is consideration being given in its programs to the development of the government's long anticipated policy on foreign ownership?

We must also keep in mind the need for restructuring and rationalizing Canadian industry. We have heard various comments from the Minister of Industry, Trade and Commerce suggesting that Canadian industry cannot be restructured and re-organized adequately within a national framework. I suggest that this reflects something of the attitude of the government, and that it is not looking towards a policy that will develop a viable Canadian economy. Certainly, we want trade where it is in the interests of the Canadian people but it must be related to the over-all welfare of Canadians.

For some time Canada has followed the multi-lateral approach in trade. If it is going to continue to follow that policy it has to take steps to make sure it works, or we will have to consider the alternatives, a move towards continentalism or to some form of isolationism. In my view either alternative would be disastrous for Canada's future. The government must actively negotiate to improve our position in over-all trade. Time is running short. I suggest that the livelihood of many Canadian people is dependent on the actions of the government within the next short period of time. Certainly, I think that the role of Canada as a nation is also involved. For these reasons, I feel this is very important legislation and I hope it receives more detailed consideration by hon. members both at second reading and committee stage.

• (3:50 p.m.)

[Translation]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, the bill presently before us is intended to increase our exports to foreign countries. As a matter of fact, it asks that the authorized capital of the Export Development Corporation be increased from \$25 million to \$75 million, which is a considerable increase. After listening to the speech made by the Parliamentary Secretary to the Minister of Industry, Trade and Commerce (Mr. Howard), and the public statements made previously, everything leads us to believe that the government is trying by this means to find a way to check unemployment.

Mr. Speaker, among the many problems that constitute a chronic challenge to economists—because many economists have also studied this problem, and, to this day, they have not found any real solution—is international trade.

Among other reasons why international trade has become such a cumbersome business is the fact that it has radically changed and its original character and purpose have now been forgotten. In primitive times, when states took shape, there were communities anxious to trade with other communities for the purpose of acquiring goods which they needed and which they were unable to produce for climatic and other reasons.

The original basis for international trade still exists. The most recent and most obvious example has been the