

*Export Development Act*

extremely relevant that the president of Canada Steamship Lines happens to be Paul Martin, Jr.? Is that the reason this company seems to have received such favoured treatment?

The company which has benefited to the second greatest extent is the Montreal Engineering Company of Montreal, Quebec. It has received \$118.8 million.

**An hon. Member:** Controlled by the provincial government to the extent of 65 per cent.

**Mr. Stevens:** The hon. member has anticipated my next comment. I would point out that Montreal Engineering is not owned by the Quebec government.

**An hon. Member:** Marine Industries Limited.

**Mr. Stevens:** Obviously, the government is very sensitive about these points. Marine Industries Limited, which does have share participation by the Quebec government, has been a benefactor to the extent of \$104 million. As was revealed at the committee, the senior executive of Marine Industries are the Simards, and I think most members of this House know of the interconnection between the Simards and prominent Liberals from Quebec.

The fourth company on this favoured list is none other than M.L. Worthington Limited of Montreal, Quebec. That corporation is owned to the extent of 60 per cent by a United States concern and received \$95.6 million in export development financing. When dealing with M.L. Worthington, I think it is relevant to put on the record that the chairman of the board of that company, Mr. Henry Valle, said during an export financing seminar held jointly by the Canadian Export Association and the Canadian Bankers' Association on November 28, 1974, that his company was 40 per cent Canadian-owned, with the remainder of the shares held in the United States. He then went overboard, I would suggest, in pointing out the tremendous benefit EDC has been to their operations in Canada, stating, "We rank among their top clients". The fact is, that company is number four on the Liberal government's hit parade.

Perhaps the most relevant thing is the odd twist the president of that 60 per cent U.S.-owned subsidiary puts on export development financing. The hon. member for Prince Edward-Hastings (Mr. Hees) pointed out that we, hopefully, have caused the Export Development Corporation to drop the minimum of \$1 million it has had in place for many years in respect of export financing. Just listen to the funny twist the president of this U.S. subsidiary puts on that minimum. I quote directly from his remarks.

EDC have maintained a lower limit of \$1,000,000 as the value of sales coverable by long-term financing which, of course, would normally exclude most of these firms. By working with MLW, they are effectively provided with long-term financing of their exports.

The Export Development Corporation has maintained a \$1 million ceiling excluding, as Mr. Valle points out, many companies in Canada that would like to share in this financing. Oddly enough, the twist he puts on the situation is that this U.S. subsidiary in fact is the sieve for the financing that is taking place, through the Export Development Corporation, of manufacturers in this country that are Canadian owned. What an unbelievable twist.

[Mr. Stevens.]

Let me point out that only has M. L. Worthington Limited received \$95.6 million in benefits, as Mr. Valle points out, but the company has received extensive help from other federal departments in maintaining its operations. If you read the annual reports of MLW you will find that approximately 50 per cent of its sales in recent years have been financed by the federal government. The company has been operating at about the \$55 million level in total sales and approximately half have been financed through the Export Development Corporation.

I sincerely hope that the minister and whoever may succeed him in the Government of Canada will ensure that in future funds that are expended by the Export Development Corporation will be expended to the benefit of smaller businessmen to a much greater extent than has been the case to date. There are all kinds of precedents for this. In the United States, for example, they have a corporation comparable to the Canadian Export Development Corporation: it is called the Export-Import Bank of the United States. In that corporation they have several programs designed to help United States businessmen export to foreign countries. Oddly enough, one of their plans, which they call the co-operator plan with banks of other countries, includes co-operative programs with Canadian chartered banks. I find it interesting to note in their June 30, 1974, publication that they outline approximately \$2.6 million of such financing that has gone to American firms for exports into Canada.

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This is the type of program that we believe should be encouraged by our Export Development Corporation. If the American counterpart is able to finance hundreds of millions of dollars of small export activity throughout the world, either directly or indirectly through co-operating banks, surely our corporation can do likewise. In committee we found that the officials of the Export Development Corporation were exceedingly evasive; they would not give direct, open answers with regard to the activities of the corporation. This matter has been raised in the House before, but I think it should be pointed out again that the corporation consistently refused to reveal the interest rates they are charging foreign governments with respect to the lending activity of the corporation.

We know indirectly that much of the money has gone out at as low as 6 per cent. More has gone out in the 7 per cent range. In committee we were told that this information could not be made public because of competition factors. I pointed out that in the case of the Export-Import Bank of the United States, such information is readily available; in fact, it is published in their regular publications as a matter of course. This type of secretive approach is not Canadian. It is time that this government opened up and came clean with the Canadian public concerning their activity, especially when they choose to favour, as they do in this corporation, certain exporters at the expense of others. Most people are in the Christmas mood at this time. However, I would suggest that for the favoured friends of this Liberal government there is no greater Santa Claus than the Export Development Corporation, judging from its past experience.

There is another matter that should concern every member of this House. That is the very basic question of