

Export Development Act

Does anyone recall reading about Indonesia in the last two or three months and how all the smart American bankers, those debonair and sophisticated bankers who had slashed their money out all over the world, got together in a huddle because Indonesia was going down the spout. Pertamina, or whatever the name of the company was, had the great monopoly. I won't say what part of the body was going up; all are familiar with that expression. All these banks had to get together and be concerned about Indonesia which has tremendous oil resources, oil wells, and yet was unable to meet its obligations. The loans had to be stretched out. Hon. members had better be prepared to see what kind of loss the EDC is going to take.

Evidence before the committee showed that the EDC first put forward proposals to the government for extended limits last fall. That is to be found in issue 29 on page 39. Last October or November, EDC told the Minister of Industry, Trade and Commerce that it had to have the limits increased—that they were going to run out of funds some time this year. The minister dawdled and fiddled around, he diddle-diddled around and talked to his cabinet colleagues. He went out and around at Christmas and he toured his district and worried about his district and he almost changed his district. He should have changed his district—he should leave Alberta if he has any hope of being re-elected. He did all of those things and he did nothing about the EDC legislation. Then he had the gall to come to our financial critic in April and say he had legislation he wanted to see whistle through the House in 24 hours, otherwise he was going to tell Canadian exporters that we were holding up their credit and ruining Canadian export trade.

Where is the minister today? He is supposed to be in Toronto trying to deal with the auto schmozzle, the auto mess, the auto shag-up, the auto round-up. That's where he is today. Otto is blotto and Jack is up in Toronto. And he is probably blotto too, trying to deal with the auto pact. So no wonder he is not here. I don't blame him for not being here. If I had this mess on my plate I would be in Toronto too. Instead of that we are here trying to do business of the country.

Next year you boys will be out. You are going to be on this side and we are going to be over there. We'll be listening to all your foolish criticisms. You may as well get used to it. We will be there solving the problems.

Another interesting point—there are so many interesting points that it is lucky we have a lot of amendments here. The president of the corporation told the committee that EDC had between \$6 billion and \$7 billion out in the form of obligations. In other words, Mr. Speaker, what happens is that you want to do a deal in some foreign country and you come to EDC and they consider it and they may agree, "Yes, we can do your deal." It's a \$100 million deal. "Yes, if it goes ahead as you project it is going to go ahead, we will stand behind you for the \$100 million."

[Mr. Crosbie.]

● (2032)

Now, that is not legal. That is in the form of a comfort letter or a moral commitment but not a legal commitment. It might be a year or two years before the EDC actually has to enter into a legal commitment for the \$100 million or even advance the \$100 million, and while we are talking here in this House now—and this was information that came two or three weeks ago—there were \$6 billion to \$7 billion out in letters from the EDC to various companies and firms and so on in Canada giving them commitments that the EDC would finance various deals that they were hoping they were going to be able to carry on. So their obligations and liabilities are not just what is outstanding at the moment or what is legally committed at the moment; there is another \$6 billion or \$7 billion apparently that they are committed to in a moral sense and they would look and the country would look and the government would look very bad if they ever went back on it.

That \$6 billion or \$7 billion is well past their limit. I think that is right, hon. member for York-Simcoe; the \$6 billion or \$7 billion added to what they have spent to date would be well past their limits?

Mr. Stevens: Sure.

Mr. Crosbie: So the EDC has gone well past their limits that are set in the legislation that is now before the House.

Mr. Stevens: That is their problem.

Mr. Crosbie: That is their problem, as the hon. member for York Simcoe says. In these letters of commitment, not legally binding, they have gone well beyond the present limits in the legislation now. That raises the question: Can we have a Crown corporation that can put us in the position where we have got to follow through whether we like it or not on obligations and commitments that they enter into, not just the legal ones but the ones where they have given people a handshake or a commitment that we would have to follow through if we were individuals? I think that if that is the case, then it certainly behooves us to look very carefully at who is doing what in the EDC and to whom.

I spoke this afternoon on the alarming Goldfarbian tendencies of the advertising of the EDC—I do not need to go into that in any great particular tonight—their misleading advertising, the politically partisan advertising, Liberal—fudging of figures, Goldfarbian tendencies; and it is quite obvious that for upward mobility in the executive ranks of the EDC you might have to be ready to do some Grit grovelling. Grit grovelling will get you ahead, and this is reflected in their advertising.

By the way, this afternoon from time to time there was not one minister in the House. Not one, not a single one. The House is usually vacant of ministers when they are here, but this afternoon it was physically vacant as well when this \$26 billion bill was going through.

So, Mr. Speaker, to sum up those several points, the EDC is far too sanguine about the credit risk it is taking. They are not concerned. I mean, what's \$26 billion? What's a billion here,