

*Adjournment Debate*

outstanding notes of the corporation never at any time exceeded \$375 million.

If the parliamentary secretary is to be believed, I ask the minister and this House why it was necessary in 1971 to ask the House to increase the then ceiling from \$600 million to \$850 million. If we are to believe the parliamentary secretary, in fact as of January 31 they were still not over the \$600 million ceiling which they told this House in 1971 they had to have increased to \$850 million to allow them to proceed.

I have been fortunate enough to see the internal projections for this corporation. I can tell the House that it is not until May, 1974, that they will exceed the ceiling of \$850 million, if the ceiling alleged by the parliamentary secretary is a correct interpretation under this act. The fact is, it is wanton misleading of this House. They know they are caught and they do not want to admit it. Instead, they run to a solicitor and say, "Please give us a fresh definition of how we can interpret the liabilities under section 30." However, they forget that fortunately we have the internal records of the corporation, including the records referred to in their minutes. We know what has been said.

We only hope the officers of the corporation will be prepared to appear before the committee and not deny that in their own records, listed under liabilities pertaining to section 30, the liabilities as of December 31 were \$841 million and that they had less than \$9 million left under their authorization of \$850 million. As of January 31, the parliamentary secretary is correct. The record then showed that they had in fact exceeded their ceiling. I feel this House deserves an apology.

**Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce):** Mr. Speaker, the hon. member for York-Simcoe (Mr. Stevens) has been alleging for some time what he has again repeated this evening. I first wish to say that it is a recognized practice in this House, although it may not be a tradition, for the parliamentary secretary to in fact answer questions on what we call the "late show". There is no question of the minister not having the courage to be here. The minister was here this afternoon to answer in the debate, and he will appear before the committee when the Export Development Act amendments are before it, as the committee sees fit. Therefore, it is my duty as parliamentary secretary to answer questions on the "late show". I intend to continue doing so.

The hon. member, of course, is basing all of his argument on a legal judgment. I do not know if he is a lawyer. I am not.

**Mr. Stevens:** I am.

**Mr. Breau:** You are a lawyer?

**Mr. Stevens:** Yes.

**Mr. Breau:** Unfortunately, I am not a lawyer. I have to rely on legal opinions that I read or that are provided to me in some way or another.

**Mr. Stevens:** I have a different one.

**Mr. Breau:** If you have, I wish you would bring it forward because I have not heard it yet.

**Mr. Stevens:** I will at committee.

**Mr. Breau:** That is fine. This evening the hon. member again referred to two points. He referred, first, to a financial statement as if that was an adequate basis for a legal argument. Even though I am not a lawyer, I cannot understand that. In my view, a financial statement cannot be used to make a legal judgment.

**Mr. Stevens:** Get your corporation's financial statements for three years.

**Mr. Breau:** It does not matter what the financial statement is, although the hon. member must have seen a lot of them in his years in business. The hon. member says that he is a lawyer. If he had to have a legal opinion, there is no way that he would refer to a financial statement. He would refer to statements and things of that sort. Even in respect of that financial statement, the hon. member mentioned—and I have his words—uncommitted liability. That confirms, it seems to me, the fact that a liability does not exist before disbursements have been made. It has to be this way because the corporation, like any other lending authority, takes in cash receipts all the time. There is money flowing back in. This is why the act specifies "on the outstanding instruments". So even if the corporation exceeded the ceiling in financial agreements, it could very well be that because of the money coming in it would be within the permitted ceiling.

• (2220)

I could give the answer again. It has been given three times in the House. It is really a matter of legal opinion. If the hon. member thinks he has a better one, somebody will have to be the judge.

Motion agreed to and the House adjourned at 10.22 p.m.